

FILED

SEP 18 1995

HOWARD HANSON
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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL,))
a California-not-for-profit))
religious corporation,))

No. 157 680

Plaintiff,

vs.

GERALD ARMSTRONG; MICHAEL WALTON;))
THE GERALD ARMSTRONG CORPORATION))
a California for-profit))
corporation; DOES 1 through 100,))
inclusive,))

Defendants.

EVIDENCE IN SUPPORT
OF OPPOSITION TO
MOTIONS FOR SUMMARY
ADJUDICATION OF 20TH
CAUSE OF ACTION; AND
13TH, 16TH, 17TH &
19TH CAUSES OF ACTION
OF SECOND AMENDED
COMPLAINT

Date: 9/29/95
Time: 9:00 a.m.
Dept: One
Trial Date: Not Set

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SEP 18 1995

HUB LAW OFFICES

VOLUME VII

1 HUB LAW OFFICES
Ford Greene, Esquire
2 California State Bar No. 107601
711 Sir Francis Drake Boulevard
3 San Anselmo, California 94960-1949
Telephone: (415) 258-0360

4 Attorney for Defendant
5 GERALD ARMSTRONG
6
7

ORIGINAL FILED

FEB 25 1993
SUPERIOR COURT

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 IN AND FOR THE COUNTY OF MARIN

10
11 CHURCH OF SCIENTOLOGY)
INTERNATIONAL, a California)
12 not-for-profit religious)
corporation;)

13 Plaintiffs,)
14)

15 vs.)

16 GERALD ARMSTRONG; DOES 1)
through 25, inclusive,)

17 Defendants.)
18)
_____)

No. 152 229

DECLARATION OF GARRY L. SCARFF
IN OPPOSITION TO ORDER TO SHOW
CAUSE RE CONTEMPT

Date: March 2, 1993

Time: 8:30 a.m.

Dept: 86

Trial Date: May 3, 1993

Discovery Cut Off: None Set

Motion Cut Off: None Set

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HUB LAW OFFICES
 Ford Greene, Esquire
 California State Bar No. 107601
 711 Sir Francis Drake Boulevard
 San Anselmo, California 94960-1949
 Telephone: (415) 258-0360

Attorney for Defendant
 GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA
 IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY
 INTERNATIONAL, a California
 not-for-profit religious
 corporation;

Plaintiffs,

vs.

GERALD ARMSTRONG; DOES 1
 through 25, inclusive,

Defendants.

No. BC 052395

DECLARATION OF GARRY L. SCARFF
 IN SUPPORT OF OPPOSITION TO
MOTION TO COMPEL

Date: February 19, 1993
 Time: 8:30 a.m.
 Dept: 30

Trial Date: May 3, 1992
 Discovery Cut-Off: None
 Motion Cut-Off: None

GARRY L. SCARFF declares:

1. My name is GARRY L. SCARFF. I live at 2137 N.E. Weidler St., Portland, Oregon 97232. My telephone number is (503) 281-9088. I am above the age of eighteen years old and provide the following testimony of my own first-hand knowledge. I could and would provide the same testimony in open court were I required to do so.

2. From 1982 through August 1992, I was a member of the CHURCH OF SCIENTOLOGY. For the two years preceding 1992 I was an operative of SCIENTOLOGY in the Los Angeles area where I have

1 worked closely with EUGENE INGRAM, a licensed private investigator
2 whose income is solely derived from SCIENTOLOGY.

3 3. EUGENE INGRAM, at the direction of SCIENTOLOGY, has
4 attempted to ruin FORD GREENE on a personal and professional basis
5 because of his activities on behalf of the Cult Awareness Network,
6 his outspoken and public criticism of SCIENTOLOGY, his
7 representation of former Scientologists, particularly Richard and
8 Vicki Aznaran, and his current working relationship with GERALD
9 ARMSTRONG, a former high-ranking Scientologist.

10 4. The operations against FORD GREENE are coordinated
11 through the CHURCH OF SCIENTOLOGY INTERNATIONAL in Los Angeles.
12 In this regard, I knew that the person who directed and controlled
13 these operations was DAVID MISCAVIGE, the head of Scientology.

14 5. In 1987 I was directed by SCIENTOLOGY to represent
15 myself as a survivor of the People's Temple immolation in
16 Jonestown, Guyana and befriend FORD GREENE in order to perpetrate
17 a Scientology operation on him. During Christmas 1987 FORD
18 invited me to spend the holiday with him. When I was in his
19 office alone during that period of time, I availed myself of his
20 confidential legal records, legal files of his clients, a rolodex
21 of his contacts and photographed his office.

22 6. In approximately September 1991 at a McDonald's
23 Restaurant located in Albany, Oregon, EUGENE INGRAM showed me a
24 letter to the Federal Bureau of Investigation which I read. The
25 letter from INGRAM stated that FORD GREENE was involved in the
26 trafficking of drugs and the misuse of his law office by trading
27 homosexual favors for the rendering of legal services. INGRAM
28 frequently discussed his desire to have FORD GREENE indicted under

1 the RICO statutes.

2 7. On or about December 20, 1991, I attended a meeting at
3 SCIENTOLOGY's OFFICE OF SPECIAL AFFAIRS in Los Angeles where the
4 law offices of BOWLES and MOXON are located. Present at that
5 meeting were the following individuals: KENDRICK MOXON, TIMOTHY
6 BOWLES, RANDY SPENCER and ERIC MORAN, all of whom are attorneys at
7 Scientology's in-house law firm, BOWLES AND MOXON. Also present
8 were EUGENE INGRAM, and DAVID BUTTERWORTH, the director of
9 Scientology's OFFICE OF SPECIAL AFFAIRS. One purpose of this
10 meeting was to develop a plan to destroy the personal and
11 professional credibility of FORD GREENE and to continue attempts
12 to have him disbarred from practicing law because he represented
13 litigants against SCIENTOLOGY.

14 The operations that were proposed and developed at this
15 meeting included the following:

16 a. To create a public scheme portraying FORD GREENE as a
17 sex fiend. This was to be accomplished through EUGENE INGRAM's
18 manipulation of Margery Wakefield, a former client of FORD GREENE
19 with a history of mental instability. INGRAM was to go to Florida
20 and dupe Ms. Wakefield into signing a declaration that would be
21 detrimental to FORD GREENE.

22 b. INGRAM asked me to execute a declaration stating that
23 when I stayed with FORD GREENE over the Christmas holidays in 1987
24 Ford induced me to get drunk on alcohol and stoned on marijuana at
25 which time INGRAM told me to state that FORD sodomized me and
26 forced me to orally copulate him. INGRAM also told me to state
27 that I did not admit to this in an earlier (false) declaration
28 because FORD was to have threatened to send his drug dealer

1 contacts to kill me if I stated anything of the homosexual attack.

2 c. INGRAM also wanted me to swear that FORD GREENE was a
3 paying and frequent patron of a San Francisco bathhouse, that FORD
4 GREENE was infected with the AIDS virus, and was intentionally
5 passing it to others.

6 d. INGRAM also sought to expand on what he called the "fuck
7 buddy" relationship between FORD GREENE and GERALD ARMSTRONG. One
8 of INGRAM's suggestions was to set FORD GREENE up with a new male
9 client who then would provide a declaration swearing that GREENE
10 agreed to barter his legal services in return for sex.

11 e. Another of INGRAM's suggestions was that I go to San
12 Anselmo and break into and enter GREENE's office when he was not
13 present and plant cocaine and child pornography in his desk and
14 then advise the police of GREENE's illegal possessions.

15 f. Ingram also suggested tampering with FORD GREENE's
16 automobile by severing its brakes lines in order to produce a
17 serious accident. When I said to Ingram that it could also kill
18 GREENE, INGRAM responded, "There's no loss in a dead fag." INGRAM
19 also suggested orchestrating an accident involving GREENE on the
20 Golden Gate Bridge that would result in GREENE's car going over
21 the side of the Bridge.

22 g. INGRAM and SCIENTOLOGY have also attempted to have
23 GREENE disbarred by filing complaints with the State Bar.

24 8. At the instigation of EUGENE INGRAM, DAVID BUTTERWORTH
25 and the aforementioned attorneys in BOWLES AND MOXON I have
26 executed declarations in which I made false statements of fact.
27 With respect to FORD GREENE, the false statements of fact that I
28 made included, but were not limited to, the following:

1 a. FORD GREENE is a homosexual. The truth is I have no
2 basis for this statement;

3 b. FORD GREENE frequented the Castro Street area (a gay
4 area) in San Francisco. I have no factual basis for this
5 statement;

6 c. While nude FORD GREENE hugged me and would not let go.
7 This is false.

8 d. GREENE took a picture of me, naked, as I was leaving the
9 shower. This is false.

10 9. INGRAM, BUTTERWORTH and lawyers at BOWLES AND MOXON
11 repeatedly expressed that they would do anything to prevent GERALD
12 ARMSTRONG and FORD GREENE from working together.

13 Pursuant to the laws of the State of California, I hereby
14 declare the foregoing to be true and correct. Executed on
15 February 11, 1993 at Portland, Oregon.

16
17 
18 GARRY L. SCARFF

'FACTNET' — PERVERSIONS, CRIMINALITY and LIES

The purpose of this flier is to clear the air on some incredible and outrageous lies that have been circulated around about myself, friends of mine, and other innocent people whose only fault was that they have stuck their necks out and taken a stand, as Scientologists, to improve the world we are living in.

I am referring to a flier recently distributed by a group calling themselves "FACTNET", which is replete with such outright false data that it defies belief that anyone could come up with such garbage. After reading this flier I decided I had to find out who could do such a thing and why. When I did, and found out about the people who were involved in this, it became more understandable. After all, what can you expect from people who are so low that they can't do anything more worthwhile than to try and destroy other people by twisting truth, lying and then trying to make a living out of it.

FACTNET emerged in January 1994 claiming to be a "research and educational public service" group, using an address of a P.O. Box in Golden, Colorado. FACTNET's first mailing, rife with rumours and lies, has stirred up scores of individuals across the United States who have filed complaints demanding that state and federal authorities investigate who and what FACTNET really is.

An odd mixture signed on to FACTNET's board of directors: a retired psychologist who is embroiled in bitter litigation with her peers in the psychological community; a 25-year con artist who moves from state to state promoting an ever-changing array of gadgets, fad diets and new-age personality boosters; a clerk and self-proclaimed founder of "renunciants" who says that money should be abolished; a former Dominican priest who abruptly left the priesthood shortly after becoming affiliated with FACTNET; a former dope dealer, ex-convict, mental patient who earns a living as a deprogrammer; a recluse living in Longmont, Colorado who apparently spends his days scanning paper into FACTNET's computer; and a sexual pervert whose literary career spans from community news in a now defunct small weekly newspaper to writing and editing on pornographic bulletin boards.

Looking over the FACTNET materials that I have been able to

collect, it becomes clear that they are nothing more than a holding company for lies and untruths for sale - to money grubbing attorneys, spineless "deprogrammers", senseless reporters and the like.

Why?

A closer look into the background of FACTNET's founders explains their true motivation.

All of the individuals involved in FACTNET are also involved with or members of the Cult Awareness Network (CAN), an anti-religious hate group that has come under close scrutiny by federal authorities in recent years for operating as a deprogramming referral network.

CAN, earlier known as "Citizens Freedom Foundation," is most well known as the brainchild of Ted Patrick, a convicted felon who has deprogrammed members of the Catholic Church, Amish religion and lesbians (one was raped by Patrick's cohorts as a means of converting her sexual preferences). Deprogrammers advocate coercive tactics to "dissuade" anyone from anything thought objectionable by the customer holding the purse strings.

"Deprogrammers" charge outrageous sums of money - several thousand dollars for a "days work" - which they get out of upset and unsuspecting relatives who have been twisted by the lies fed by groups such as CAN. FACTNET is apparently in the same business, but in their case are selling their lies to the deprogrammers, and hired gun attorneys to use to try and poison the courts.

CAN's former security chief, Galen Kelly, is currently serving a 7-year sentence on kidnapping charges related to a deprogramming attempt. Galen Kelly had been put on a \$1500 monthly retainer in 1992 by CAN's Executive Director, Cynthia Kisser, but this funding ceased after his arrest by the FBI in September 1992.

Deprogramming, although a lucrative business, has its pitfalls. Ted Patrick summed it up well in his 1976 book: "... it may be said to involve kidnapping at the very least, quite often assault and battery, almost invariably conspiracy to commit a crime, and illegal restraint."

Who is behind FACTNET?

LARRY WOLLERSHEIM, FACTNET's Treasurer, is an opportunist from Milwaukee, Wisconsin who successfully dodged the draft in 1969 by convincing a psychiatrist he was unfit for military service. After abusing nearly every illicit drug available in the streets, including 300 hits of LSD, it is not surprising that he became a drifter who has been under the care of a psychologist for nearly 15 years.

WOLLERSHEIM is an admitted wife-beater who ran a meat business in Los Angeles in the early 1970s (and was sued by the City for false advertising). He dumped the business on his partners, leaving them with \$20,000 in debts, and the company later went bankrupt.

In the late 1970s, **Larry Wollersheim** started up a picture-selling business which he called Beautiful Pictures Beautiful Gifts, which operated out of Denver. Late in 1977, Wollersheim left Denver with 4 months rent owing on the lease of his office

space. He then started a branch office of Beautiful Pictures Beautiful Gifts in Houston and left in March 1978, breaking a \$2000 lease. He lived briefly in Dallas in 1978 and left two banks overdrawn and broke a two year lease on an apartment.

In July of 1978 **Wollersheim** opened up Beautiful Pictures Beautiful Gifts in Los Angeles. *His unethical business practices caused the loss of thousands of dollars to his clients.*

His businesses owed money to many creditors, some of whom took legal action against Wollersheim to collect — the glass company which provided the glass for the pictures that sued for \$4,000 for credit extended; the supplier of the art prints who claimed that Wollersheim defrauded him out of \$6,000; and the factoring company which was owed \$45,000 from uncollectable accounts receivable.

Wollersheim moved to Aspen, Colorado sometime around 1980, where he solicited over \$200,000 from investors for speculative fitness products. *Two people who contracted with him to produce and market his products, never saw a penny of the \$70,000 they invested in Wollersheim.*

Using the pseudonym of Robert Lawrence, **Wollersheim** plagiarized material from a local doctor in Aspen which he published in a book he called, “The Aspen Diet.” Local press claimed that “Robert Lawrence, through a couple of years research on mind control, behavior and brain laboratory studies, has developed a system for mind control.” (It is not surprising that Wollersheim tried out a “mind control” system as a new angle for making a quick buck, considering that his mentor and personal psychologist, Margaret Singer, has harped on her “mind control” theories ad nauseum, despite being rejected by the courts and the APA.) Several people invested a total of at least \$85,000 in the Aspen Diet - and lost it.

Wollersheim later claimed in a Personal Financial Statement filed with the court in February 1990 that bills due from the later collapse of his Aspen business totalled approximately \$275,000.

In 1983, while in Aspen, **Wollersheim** harassed his roommate to the point where the police were called to investigate Wollersheim’s connection to the roommate’s broken windshield. Wollersheim was warned that if he kept on with this behavior, he would be summonsed to court.

By September 1984 the Aspen Diet investment deal fell through. Wollersheim fled the area in February 1985, turning over the business and its liabilities to others and leaving the area.

In September of 1992, **Wollersheim** advertised workshops in Milwaukee entitled “EMPOWERMENT NOW.” His promotion claimed that he had authored two books and “numerous” motivational training manuals, and that he had “13 years experience conducting inspiring, life-enhancing peak experience workshops.”

Like the claims now being made by FACTNET, these representations were clearly hype. **Wollersheim** has used 3

different social security numbers, apparently to hide his identity.

Wollersheim is now claiming that FACTNET offers educational and research information ... which can be accessed only by “pre-screened” individuals?

Wollersheim’s sanity might be measured against a letter he mailed out to Scientology attorneys in 1992 in which he claimed that he had discovered that Scientology is “some type of intelligence agency project”, a “renegade think tank field experiment” of the NSA or some other government intelligence agency. After communicating his great realization, he concluded, “you know I know, and I know you know, and everybody and both levels of government knows we all know.” With this sort of brilliant analysis, no wonder he is now filling a computer in Colorado full of lies to try and make a quick buck from profiteering attorneys and unsuspecting dupes.

STEVE FISHMAN, *ex-convict sentenced in 1988 to 5 and a half years in prison for 11 counts of mail fraud and one count of obstruction of justice (he is currently out on parole), is the source of many of FACTNET’s claims of “murder” and “psychosis.”*

In the words of his psychiatrist, Fishman is a man who will lie and manipulate others until the day he dies. The Federal prosecutor who investigated Fishman, saw through Fishman’s wild claims that individuals have been murdered by Scientology — correctly labelling these allegations as “total poppycock.” In fact, it was Fishman’s attempt to blame the Church of Scientology for his own crimes which resulted in the obstruction of justice charge against him.

Fishman is an admitted compulsive liar, whose entire life is woven with illusions and lies concocted for those he deals with. In federal court in July 1990, while on trial for crimes he was later convicted of, Fishman claimed that he was “Malchoot”, the “father of Jesus” in an earlier life. Fishman went on to describe this entity:

“Malchoot is Antichrist. He gets certain suggestions with occlusion, of course, that he was the father of Christ and he had — he had taken a bath, which in today’s parlance would be analogous to a Jacuzzi. And allegedly he had masturbated in the water and then the sperm had entered Mary and then Jesus was born, and so he was Malchoot the Antichrist and father of Jesus of the illegitimate father of Jesus.”

His hypnotist/psychologist, testifying in this same trial, described Fishman as “manipulative” and said that he has been insane and schizophrenic since 1968.

How can Fishman qualify as a source of information about anyone or anything?

If you need more, take a look at the affidavit of FBI Special Agent William Kemp, executed on January 26th, 1989,

describing his investigation of **Fishman**. Kemp had earlier arrested Fishman in July of that year for "devising a scheme and artifice to defraud over 20 Federal Class Actions Lawsuits." "The amount of the fraud is in excess of \$800,000." Kemp describes in the affidavit how Fishman then paid \$40 to a prostitute to make threatening phone calls to him to make it sound like they were Scientologists, in an attempt to blame his criminal path on Scientology (see copy of Kemp's affidavit attached).

Need I say more?

ROBERT VAUGHN YOUNG is a key source for some of the more outrageous material that has been disseminated by FACTNET.

To put this into perspective, Robert Young is a sexual pervert and a criminal. He was convicted of theft and sentenced for it. He attempted to seduce a 16 year old girl, luring her into his hotel room, climbing into her bed, and making sexual advances.

Robert Young has been involved in other perverted behavior. He has edited hard core pornographic material from a woman he met on a bulletin board service. In one letter to Young, introducing him to her latest sex stories which she was asking him to edit, she described one as about, "a man I was to meet and possibly have an affair with" and another as, "a sex story about a pre-teen." She credits Young for having gotten her re-started in her porn story career, and wrote "the last two chapters (of the pre-teen sex story) since I have been talking to you." She concludes her letter to Young asking him to:

"give me your HONEST opinion over the phone.

THEN we can meet. As you have probably guessed, I'm quite a flirt, and go out to meet these different men I write to on the boards... And I am HONESTLY NOT trying to brag, but when I meet these men, I have never been turned down. I have only had two lovers out of about thirty or so, and that's why I think YOUR idea of reading them THEN meeting is a GREAT idea! The last writer I had read one of the stories, ended up kissing me IN THE PARKING LOT!"

Take this example of the high class literature that she was asking Young to edit:

"Mike's penis exploded in a dazzling ball of flame, blood, and small bits of toasty semen. Mike was thusly incapacitated and will no longer appear in this story.

"Pam found herself alone, covered in cooked semen and shredded foreskin. 'Not again!' she yelled. 'That's the third fucking time this week!'

"But suddenly.... Pam began to inflate much like an Oscar Meyer weiner. Shortly thereafter, her breasts (looking somewhat like deformed cans of spam dripping gelatin of sorts) lost density and caused her to

float into the atmosphere, where she was never heard from again. Therefore, she will no longer appear in this story.

"We turn now to Ken. He is a corpse who is greatly enjoying the peace brought on by his recent death. He doesn't have a care in the world. Except for one thing...

"Jerry always liked Ken. More accurately, he LOVED Ken. More accurately so, he LOVED Ken's hiney. Jerry was also enjoying the recent peace... or shall we say PIECE... given to him upon Ken's death. You see, Jerry is a necrophiliac, and this is...

"— DEAD ENDS —

"(or, Dead Men Have No Tails)

"Jerry was leaving the funeral parlor with his recently obtained prize... Ken's rigor mortised rump..." "Jerry was so excited to try out Ken's hallowed Hershey highway, he had to sit down on a nearby bench and stroke himself to a somewhat turgid status...."

(I will spare you the details, it goes on from there.)

Young is a self-admitted "peeping Tom". He has regularly visited pornographic movie theaters, nude beaches, and "massage parlors" for perverted purposes.

On 10 Sept 1987, **Robert Young's** son Dave, age 18, was committed to a mental ward at the UC Irvine Hospital after the police traced a call he'd made to the suicide hot line.

Honesty is not a trait for **Robert Young**. He was engaged in shoplifting at an early age, stole money from his employers for personal use, and stole material from the Marine Corps (including an expensive radio) which he never returned.

Is Young's data to be believed? With a sordid history as above, one must wonder his motive for working with FACTNET.

GERRY ARMSTRONG, according to their Articles of Incorporation, is the President of FACTNET.

In December 1981 **Armstrong**, who worked as a librarian for the Church of Scientology, stole more than 10,000 pages of records belonging to L. Ron Hubbard and the Church. Armstrong loaned and showed the documents to others who were bent on attacking the Church to support their attacks.

Armstrong's state of mind is clearly illustrated by various "literary" writings authored by him, none of which more clearly demonstrated it than a document now known as the "pig letter", in which **Armstrong** described in graphic detail a dream he had where a pig asked him to have sex and he declined despite the fact that he wanted to. Armstrong was formerly a heavy drug user, and on at least one occasion, he was paid to provide homosexual sex.

On November 11, 1992, in the Marin Independent Journal there was an article on Gerald Armstrong titled "Is Money The Root of Problems." In the article, there is a picture of **Armstrong in the nude holding a globe**. This article states that Armstrong has an idea for dealing with the national debt - "write it off. Forget it. It doesn't exist." The article goes on to state that Armstrong, the self-proclaimed founder of the Organization of United Renunciants, set the date for people who have taken his "pledge of renunciants" to stop using money. Fellow renunciants will renounce all cash and credit, stop taking money, stop paying with money, forgive all their debts and stop keeping financial records.

JON ATTACK is another sorrowful character, who is rumored to be taking over the presidency of FACTNET from Gerry Armstrong.

Attack is an ex-psychiatric patient, a convict and a drug dealer.

He was under psychiatric counseling from the age of 13 until 18. He then spent time in a psychiatric hospital, and was given anti-depressant drugs which "knocked him out for 20 hours." *Attack is a troubled individual who continued to take heavy street drugs, including LSD, marijuana and cocaine. Attack was dealing in drugs, and was convicted twice (which was covered in the English press), once for illegal possession of drugs, and a second time for growing marijuana plants.*

Attack has had a long association with criminal deprogrammers in a "kidnapping for hire" ring called FAIR, which is involved in forcibly attempting to break one's religious faith through the use of violence and kidnapping.

One of **Attack's** cohorts in this group was **Neil Dawson**, the Dulwich vicar and chairman of FAIR from 1986 to 1988. Dawson stepped down after a barrage of media stories revealed he had regularly conducted and participated in homosexual orgies involving illegal drug use at his vicarage.

Another of **Attack's** collaborators is **Cyril Vosper**. In 1987, a Munich court convicted him of false imprisonment and causing bodily harm to a 32-year old German woman he had kidnapped. The woman escaped by smashing through a window, but not before badly cutting herself.

Martin Faiers, another **Attack** associate, was convicted of kidnapping a Swiss member of the Hare Krishna movement in 1989. During this violent faithbreaking, the victim was forcibly drugged, tear gassed and handcuffed.

Another victim, a 25-year-old woman in Devon, England, was found hanged to death following a **Faiers'** deprogramming.

These are only a few of **Attack's** and **FAIR's** corpses and deaths that they are responsible for.

On recent visits to the United States, **Attack** has been noted associating with known criminals — Paul Barbaro who is

presently incarcerated on Grand Theft charges, and William Jordan who served time for driving under the influence and currently has an outstanding arrest warrant for carrying a concealed weapon.

MARGARET SINGER, who first started treating Larry Wollersheim in the early 1980s, is a founding board member of FACTNET, and various other anti-religious groups in the United States had earlier relied heavily on the theories of Margaret Singer in attacks upon religions. *Singer, however, has been completely discredited in the courtroom, as any sort of "expert" in this field, and courts have debunked the "scientific" basis of her rantings against new religions.* The mounting criticism of her wholly unscientific methods and opinions have finally caught up with her.

Her fall from hired gun "expert" status to sham began when **Singer** and a task force set up within the American Psychological Association (APA) to study methods of "persuasion and control" filed their final report to the Board of Social and Ethics Responsibility for Psychology of the APA.

This report was resoundingly rejected by the Board in 1987, which stated, "In general, the report lacks the scientific rigor and even-handed critical approach needed for APA imprimatur." The APA Board even went further and put the task force members on notice that their appointment to the task force was not be used to imply that the APA in any way supported the positions in their reports (i.e. anti-religious theories).

Not to be daunted by this rejection, **Singer** began a series of "expert" testimonies in various legal cases dealing with new religions. In the *Kropinsky v. World Plan Executive Council* case, the District of Columbia Court of Appeals in 1988, citing the lack of acceptance of **Singer's** theories: "Kropinski failed to provide any evidence that Dr. **Singer's** particular theory, namely that techniques of thought reform may be effective in the absence of physical threats or coercion, has a significant following in the scientific community, let alone general acceptance."

In 1989, Fourth Appellate District Court of Appeal of California dismissed **Singer's** testimony. The Court stated that the "brainwashing theory of false imprisonment is no more than an attempt to premise tort liability on religious practices that Georges (party in the case) find objectionable. Such a result is simply inconsistent with the First Amendment."

In 1990, U.S. District Court Judge D. Lowell Jensen in *US v. Fishman* barred **Singer** from testifying because her ideas were not accepted within the scientific community. Jensen said, "The evidence before the court shows that *neither the APA [American Psychological Association] nor the ASA [American Sociological Association] has endorsed the views of Dr. Singer ... on thought reform. The APA found that Dr. Singer's report*

lacked scientific merit and that studies supporting its findings lack methodological rigor.”

In 1991, the US District Court in DC in the case Patrick Ryan v. Maharishi Yogi, found that Singer’s expert testimony had failed to gain substantial acceptance. Judge Oliver Gasch *refused to allow Singer to testify.*

Despite her 14-year history of being thoroughly discredited as an “expert,” **Singer** continues to be listed as a consultant for CAN.

KENT BURTNER is another founding board member of FACTNET.

Burtner has served as the Treasurer of the Cult Awareness Network (CAN) since February 1993. He has served on the Advisory Board of CAN for several years, and has been involved with CAN (and its predecessor Citizens Freedom Foundation) for over 20 years.

Up until February 1994, he was a Dominican priest at St. Dominic’s Church, in San Francisco. *He recently left the priesthood for reasons unknown, and moved to Portland seeking employment.*

Burtner has admitted to being pro-deprogramming and having been involved in numerous deprogrammings since the 1970s. News articles in Anchorage, Alaska, where Burtner lived from 1983 until 1987, indicate that Burtner first got interested in cults in 1970, when a daughter of a secretary of his seminary became involved with the Unification Church. In this article, Burtner stated that he deprogrammed 20 members of religious groups and had “rehabilitated” about 100 more from 1973 to 1983.

An October 1981 article in an Oregon paper, Siskiyou, quoted **Kent Burtner** as saying “Bruntner (sic) agrees that some self-styled ‘deprogrammers’ have tried violence, screaming, sleep deprivation, and sensory overload to shock a cult member out of his present mental state.”

Another October 1981 article, in the St. Petersburg Times, stated that a psychiatrist from California, a theologian from Canada, the Florida vice president of the American Civil Liberties Union and a spokesman for the Florida Catholic Parents Association all denounced the activities of the Citizens Freedom Foundation (CFF), characterizing it as a threat to religious liberty in America. These individuals said that their appearances were prompted only by mutual concern for the civil rights of victims of “deprogramming,” which they said is a principal focus of CFF, and other “anti-religious” activities by CFF. Burtner had been closely associated with CFF and also per this article, was listed as one of the speakers at the next CFF convention.

In 1977, an article came out in the Oregonian, mentioning that **Burtner** had assisted in several deprogrammings. One of these involved a deprogramming at the Newman Center on the

University of Oregon Campus. **Burtner** was also mentioned in another 1977 article in Northwest Magazine entitled, “The Deprogrammers.” In this article he referred to kidnapping as a “very gentle thing because you can’t use fear to deprogram a person.”

BOB PENNY, a member of the Cult Awareness Network who is living on 100% disability insurance, did the computer design work for FACTNET. According to a former employee who chooses to remain anonymous, *Penny has defrauded the insurance company which sends him a monthly check, and he even attempted to defraud Social Security.* After a desperate attempt to find volunteers who could help feed paper into FACTNET’s computer, which is kept in Penny’s home, **Penny found a local homosexual priest who is now working with Penny out of his home.**

A closer look is needed into FACTNET and those behind it. What other perversion, criminality and psychosis lies behind the accusations made by FACTNET?

FACTNET’s black propaganda and thought reform program has led to numerous innocent individuals being libelled by their issuance of false and misleading information. What is FACTNET’s real agenda? Please – help bring these matters to light and protect possible future victims.

Your Help is Needed

YOUR HELP IS NEEDED TO BRING TO LIGHT THE TRUTH ABOUT FACTNET. IF YOU HAVE BEEN MALIGNED BY FACTNET, IF YOUR FAMILIES HAVE BEEN THREATENED, OR IF YOU KNOW OF SOMEONE WHO HAS BEEN HARMED, PLEASE REPORT THIS TO YOUR LOCAL POLICE DEPARTMENT, YOUR STATE REPRESENTATIVE, YOUR LOCAL DISTRICT ATTORNEY AND THE UNITED STATES ATTORNEY FOR YOUR AREA.

Affidavit

1. WILLIAM E. KEMP, JR., do depose and say:

2. I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed for the past twelve and one-half years. I have conducted an investigation which has disclosed the following facts.

3. On July 11, 1988, STEVEN FISHMAN was arrested by your affiant at the Miami International Airport as he declined from Iberia Airlines Flight 949 from Madrid. FISHMAN was arrested based on a criminal complaint warrant issued on July 7, 1988, in the Northern District of California, San Francisco, California for devising a scheme and artifice to defraud over 11 Federal Class Actions Lawsuits being heard in Federal Courts in the Northern District of California as well as other Federal Districts throughout the United States, in violation of Title 18, U.S.C. Sections 1343, 1344, 371 and 1111. The amount of the fraud is in excess of \$300,000.

4. On August 1, 1988, FISHMAN appeared before U.S. Magistrate Linnea Johnson, Southern District of Florida, and was released on \$100,000 personal surety bond to be designed by his father and also a \$100,000 ten percent bond. FISHMAN has since been indicted in the Northern District of California for the matters described in paragraph two. FISHMAN's attorney in the above matter is Marc Nurik of the law firm of NURIK and KYLE, 1917 S.W. 17th Avenue, Miami, Florida.

5. Subsequent to FISHMAN's arrest he began receiving packages at his apartment, 1800 Galt Ocean Drive, Fort

Lauderdale, Florida, which contained aerosol cans of fresh lubricants and other solvents and documents purported to be from the Church of Scientology of which FISHMAN is an admitted member. According to NURIK and FISHMAN this material was to be used by FISHMAN to "commit suicide" and that the Church of Scientology was responsible for sending the packages.

6. On November 9, 1988, your affiant placed a telephone recording device at the request of MARC NURIK and Steven Fishman on FISHMAN's at his apartment, located at 1800 Galt Ocean Drive, #1102, Fort Lauderdale, Florida, for the purpose of consensually monitoring telephone conversations between STEVEN FISHMAN and unknown and known members of the Church of Scientology.

7. On December 13, 1988, STEVEN FISHMAN said he received a telephone call at approximately 11:00 midnight from a male individual who identified himself as "SCOTT", last name unknown purportedly an operative of the Church of Scientology. FISHMAN provided the original cassette tape and a transcript of the above conversation to your affiant. FISHMAN also furnished an interpretation of the conversation which is, in part, in coded terminology known by members of the Church of Scientology. According to the interpretation by FISHMAN, this conversation was a death threat to MARC NURIK and Dr. UWE GIBERTI, FISHMAN's psychiatrist. For example, at one point during the recorded conversation "Scott" tells FISHMAN that Mr. Nurik's wife "Linda" will be saying "codish" sic, Kaddish for Marc next Thursday at 11.

8. On January 9, 1989, your affiant served a Federal Grand Jury subpoena on DUSTY HIPPS, 1156 Lincoln Street, Hollywood, Florida relating to the indictment of FISHMAN in San Francisco, California. At this time SHANE JOHNSON introduced himself as HIPPS' boyfriend and advised that he had done a favor for FISHMAN by making a telephone call for him and was paid \$40.00.

9. On January 11, 1989, SHANE JOSEPH JOHNSON advised that STEVEN FISHMAN picked him and his girlfriend, DUSTY HIPPS, up at 1156 Lincoln Street, Hollywood, Florida, at approximately 10:00 p.m. the evening of December 11, 1988, and drove them to Coral Gables, Florida for the purpose of making a telephone call to STEVEN FISHMAN's residence at midnight. JOHNSON advised that during the drive to Coral Gables, Florida, FISHMAN had him rehearse the conversation which he, JOHNSON, was to say. FISHMAN provided JOHNSON with a script of the conversation. Upon arrival at the Denny's Restaurant, Coral Gables, Florida, FISHMAN gave JOHNSON \$10.00 in U.S. currency and \$1.00 in quarters with instructions to call him from the coin telephone at his apartment, #1102, at midnight and repeat the conversation which FISHMAN provided him. After the conversation took place he and DUSTY HIPPS waited for FISHMAN to pick them up and return to Hollywood, Florida, at which time FISHMAN gave him another \$10.00 in U.S. currency and asked for the telephone script back.

10. On January 17, 1989, SHANE JOHNSON listened to a recorded telephone conversation between "SCOTT", last name unknown, and STEVEN FISHMAN, which took place on December 13, 1988. Subsequent to listening to the conversation, JOHNSON stated

that that was his voice and the conversation was the one which STEVEN FISHMAN had him to rehearse and paid him \$40.00 to make the call. In the opinion of the undersigned JOHNSON's voice and "SCOTT'S" voice are identical.

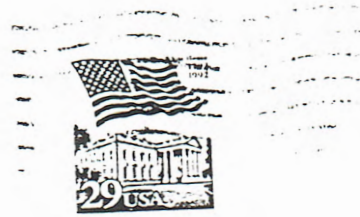
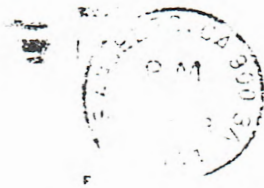
11. On January 11, 1989, your affiant learned that after he served the subpoena on DUSTY HIPPS on January 9, 1989, she contacted FISHMAN. Thereafter, on January 10, 1989, FISHMAN came to the residence of Hipps and Johnson and gave Johnson \$10.00 telling him Johnson should not tell the FBI that he had been told by Fishman to make the phone call of December 11, 1988, but, instead, to manufacture a cover story that he was working for the "Ronnie" LNU.

FURTHER AFFIANT SAYETH NAUGHT.

William E. Kemp, Jr.
WILLIAM E. KEMP, JR., SPECIAL AGENT
FEDERAL BUREAU OF INVESTIGATION

Sworn to and Subscribed
Before me on this 12 day
of January, 1989.

Lurana S. Snow
LURANA S. SNOW
UNITED STATES MAGISTRATE



GERRY ARMSTRONG
715 Sir Francis Drake Blvd
San Anselmo, CA 94960

"FACTNET"

STILL OFF THE RAILS

This is the third in a series of fliers which I have sent out in order to provide insight into the motivation of the creator of FACTNET and its main supporters, officers and directors. Behind the warped lies being spread in FACTNET are Larry Wollerslime and his cohort Bob Penny. Despite all Wollerslime's promises, FACTNET has never caught on and if Wolly is true to his past pattern of criminal business practices, as soon as he realizes he cannot make a fast buck, he will withdraw from FACTNET and run away to his next scam. Don't forget that Wolly is a guy who has abused nearly every street drug available including some 300 hits of LSD and thus it is understandable why FACTNET is such an abortion of the truth.

On top of that, Wolly has been under psychological care for over 15 years and he has been receiving "legal drugs" as treatment. It is no wonder that FACTNET can't get its act together much less print the truth — if Wolly could even recognize it after all the LSD.

FACTNET: Update

Jon Attack, a social outcast who is President of FACTNET has been having problems in court. Attack, who is also a drug abuser, had filed suit against the Church in March 1993, claiming breach of confidentiality and asking for unspecified damages. Attack was upset because the Church in the UK had published the truth about him having had two drug possession convictions, psychiatric treatment and that he had used LSD. Attack did not dispute the facts but he stated to the court that he was worried that if the truth were known about his background, he would no longer get deprogramming clients.

Attack refused to produce

adequate financial documents in the case to show the damage he claimed (he obviously had too much to hide) and \$58,000 in costs was awarded to the Church and the court threw out Attack's case. Attack is now facing involuntary bankruptcy.

Even Attack's wife Noella could no longer stand having him around the house (he has not held a regular job in years and refuses to) so sent him packing to Nottingham where he had to move back in with his mother because he could not support himself.

Attack, his cohort Larry Wollersheim, the Vice President and master mind behind FACTNET and its former president, Gerry Armstrong, were all curiously absent from the annual CAN

convention this year. Rumor has it that during the previous year's CAN convention, Larry Wollersheim was confronted by someone who had been ripped off for thousands of dollars by Wollersheim in one of his scams from earlier years. Wolly was visibly shaken after the confrontation. (You would be too if you had as much to hide as he does.) In order to prevent a repeat performance this year, Wolly chickened out and just did not show up. Or, could it be that after Marty Butz, who runs CAN's hotline, finally admitted he had made over 500 deprogramming referrals for CAN including to deprogrammers, who had been arrested for kidnapping, and that Wollersheim, Armstrong and Attack are afraid of being arrested for being part of a criminal organization?

Also absent from the convention was CAN's former Chief of Security, Galen Kelly, who has just learned that he will be retried on January 17th 1995 for kidnapping a Virginia woman. Kelly who has just spent 17 months in jail, cannot pay his old law firm and so is pleading indigency in order to get a court appointed attorney to represent him. Kelly is broke, abandoned and now attorneyless. There is speculation that Graham Berry will defend Kelly.*

Graham Berry, The Man Behind FACTNET'S Bag of Toys

Graham Berry, is an attorney employed with the Los Angeles law firm of Lewis, D'Amato, Brisbois, Bisgaard, a firm which makes a large percentage of its earnings from the insurance companies it defends. Ever wonder why your insurance premiums are so high? This firm recently had one of its lawyers fined \$1.5 million for filing and knowingly pursuing an unfounded malicious lawsuit. This was one of the largest such fines in California history. That law firm is also the defendant in several other malicious prosecution cases for similar actions.

Following in this tradition of soaking insurance companies for every penny possible, Graham Berry concocted a scheme to pay Larry Wollersheim, Gerry Armstrong and Stacy and Vaughn Young (all prominent members of FACTNET) to be witnesses in a libel case involving a psychologist by the name of Uve Geertz — most of it AFTER the case was over.

Berry manipulated the insurance company into paying these "witnesses" in order to provide himself with the false testimony he desperately needed. Why would he need false testimony to defend his client? You see, Geertz is a two bit hypnotherapist who claims to be an expert in deviant sex (he had been quoted by the media on Erotic Death Syndrome and is an "expert" on the results of ink blot tests on homosexuals). Geertz treated FACTNET assoc-

iate, Steve Fishman, who admitted that he had schemed with Geertz to make video tapes of faked hypnosis sessions where Fishman was the subject so that Geertz could obtain a government grant and to collect insurance money for the "treatment".

In his defense of Geertz, Berry was able to convince the insurance company, American International Group (AIG) that paying bogus witnesses was a worthwhile investment, even though Geertz' had only paid a \$900 premium for policy coverage of \$1 million. The Lewis, D'Amato firm had to be proud of Berry since he was able to rake in over \$1.5 million from the insurance company to defend the case. (That's a return of \$1,500 for every \$1 paid into the insurance company.)

That the declarations filed in the Geertz case were replete with distortions and outright lies was exposed in a declaration filed in the case which details a meeting held with Stacy and Vaughn Young where they admitted that they were in an occupation which required them to figure out how to manipulate and distort facts for use in litigation.

The Young's business of selling declarations to Berry began only because they had gone into serious debt and needed the money. The Youngs stated that they could only get paid if they provided what was needed by Graham Berry — thus they had engaged in "creative writing" to distort the facts, make false innuendo, and paint a picture which was the opposite of the

truth. A small amount of truth did emerge however when Stacy Young stated that fellow FACTNET member Gerry Armstrong is psychotic and lives in a delusory world and that Wollersheim is as crazy as Armstrong is.

You may be wondering just who is Graham Berry, the man behind the scenes who could pull off getting an insurance company to pay tens of thousands of dollars for false testimony. So did I and therefore I started reviewing materials which are part of the public record and what I found was a shocking tale of perjury, extortion, lies and scandal.

First off, I learned that Graham Berry paid over \$72,000 to ex-Scientologists to create false declarations and act as "expert" witnesses. Amongst these was Andre Tabayoyon who Graham Berry had paid over \$17,000 to sign a declaration for him. However, Tabayoyon never saw the final version of it and according to a declaration filed in court by Richard Anzaran (who had also been paid by Berry), Berry had Tabayoyon sign a signature page for a declaration and then inserted pages of his own creation, producing a false declaration which was 60 pages long. Berry took advantage of Tabayoyon, who he judged to not be too intelligent, so that this false declaration could then be leaked to the media resulting in several negative tabloid articles, the purpose of which was made clear in various extortion threats made by Berry as detailed in the court documents.

Berry's extortionate demands

for money from the Church in exchange for silence on the part of the "expert" witnesses he was paying to make false declarations, included statements that unless a large amount of money was forthcoming he would distribute to the media these false statements made by his paid witnesses and that he would cause unnamed criminal investigations, which he claimed to have created, go away by no longer cooperating with the authorities.

Vicki Aznaran, another of Berry's paid witnesses swore out a declaration filed in court that Berry had paid her \$2,500 to do an eight page declaration for him as an "expert" witness. However, Vicki later discovered that Berry had inserted another ten pages of false allegations into the declaration unbeknownst to Vicki and falsely attributed to her.

This type of unethical behavior is not unknown to Berry who formerly lived in New York where he was a partner in a law firm by the name of Spiegelman and Berry. Jerome Spiegelman is a famous name in law enforcement circles in New York having bilked clients out of millions of dollars belonging to them. Spiegelman ended up having his license revoked and was jailed for his criminal behavior. Just prior to this, his partner Graham Berry filed bankruptcy and, shortly before Spiegelman was indicted, Berry dissolved the law firm and left the country later surfacing in Los Angeles in his current law firm.

Berry's partnership previous

to Spiegelman was with an attorney named Frank Hoffee. This partnership ended in a bitter lawsuit brought by Berry. (Hoffee later died of AIDS.)

In reviewing this case, I discovered that Berry had filed a bar complaint against Hoffee on behalf of Vincent Catanzaro, who when he learned about it, had to write a letter stating that Berry does not, nor did he ever have authorization to lodge such a complaint against Hoffee. As detailed above, Berry seems to have no problem with fabricating statements from clients when it suits his own ends.

The Berry declaration is most amazing in the way that he whines about being referred to as "gay." Yet he then admits he attended an annual dinner put on by the Bay Area gay and lesbian legal community? It makes one wonder why Berry protests so loudly? Is he ashamed of being gay? Does he have something to hide? I could not understand what the big deal was as certainly there are gay attorneys in Los Angeles but it seems Berry has a problem with it.

For some reason Berry is upset by mention of his affiliation with the gay community. For instance court documents show that Berry denies that he has AIDS. Why would an attorney representing someone in a libel suit file his own declaration to deny he has AIDS? However, because of his repeated protests, I checked further and learned that Berry was in fact a co-founder of the AIDS Medical Foundation (forerunner of the American Found-

ation for AIDS Research). As noted, Berry's former law partner, Frank Hoffee, who had the same New York address as Berry, died of AIDS. And, according to documents found in New York in court files and other public records, one of Graham Berry's close friends, Seth Cooper, who tried to mediate the lawsuit between Berry and Hoffee, died of AIDS. It is of interest to note that one of Berry and Hoffee's clients was *After Dark Magazine*, a publication for homosexuals which went bankrupt and whose publisher died of AIDS. The New York attorney who represented Berry in his own bankruptcy in 1985 also died of AIDS in 1991.

So the real question is, why does Graham Berry want to hide it?

All of this is in the public record and can be verified as true.

— Barry Waterman

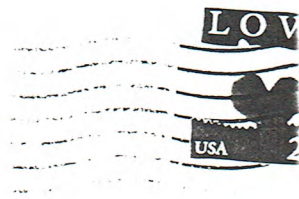
If you know of someone who has been maligned, harmed or defamed by FACTNET, report this to your local police department, your state representative, your local district attorney and the United States attorney for your area.



11/23 AM 8:12

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11/23 AM 8:12



Address

Church of Scientology International
Office of Special Affairs



May 9, 1994

Mr. Charles Collier-Wright
Mirror Group Newspapers
One Canada Square
Canary Wharf
London E14 5AP
United Kingdom

Dear Mr. Collier-Wright:

I was sorry you were not able to meet with me or take me up on my offer to visit the Church facility that was the subject of the Mirror's story, even though you had travelled all the way to Los Angeles.

You may believe that Mr. Berry will be able to assist you by providing information of value. You are unfortunately mistaken, however.

Whatever Mr. Berry or his hired declarants may assert, a) five of Berry's "witnesses" in the now defunct Fishman case who supposedly corroborate Andre Tabayoyon's testimony have never been to Golden Era Productions; b) his other witnesses all left the facility before Tom Cruise visited and none has returned since. None, therefore, has any personal knowledge concerning Mr. Cruise having been there and the outrageous allegations of Andre Tabayoyon are indefensible.

Any information obtained from Mr. Berry (who has never visited the facility himself) or those on his witness list would be hearsay. Presumably Mr. Berry's list of "witnesses" includes the following:

Robert Vaughn Young:

Mr. Young has not been at Golden Era since June 1989, prior to Mr. Cruise having visited.

According to his own testimony, Young made no effort to attack the Church of Scientology until he lost his job and found himself "very hard up for money." He then approached an attorney

Scientology: Improving Life in a Troubled World

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May 9, 1994

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for the Church and demanded \$50,000 in exchange for his "story" about Scientology. The Church refused his demand, so Young placed himself on the market as a paid-for declarant, manufacturing false testimony on behalf of Barry's clients, Fishman and his hypnotherapist Uwe Geertz (neither of whom he had ever met.)

Mr. Young also has a criminal record and served time in jail for theft, which further compromises his credibility.

Stacy Young:

Stacy Young has not been at Golden Era since August 1988. Like her husband, she made no effort to attack the Church until she saw this as a solution to the money problems that she and her husband were experiencing owing to their inability to maintain regular employment. Mrs. Young testified that she quit her job selling real estate advertisements in order to pursue a career writing declarations for money because the latter was "more lucrative."

Gerald Armstrong:

Armstrong has not been to the property occupied by Golden Era Productions since November 1981, well prior to Golden Era Productions' establishment. He has not set foot in any Church of Scientology since December 1981.

By involving himself with Church of Scientology litigation, Mr. Armstrong is in violation of a legal agreement he made in 1986. Were the Mirror to call him as a witness, your client would become party to that violation. However, your client would be advised not to rely on information from Mr. Armstrong. He has now distinguished himself by posing naked in a newspaper claiming that the solution to the national debt is for everyone in the United States to simply renounce money. He claims himself to be the "Founder of the Organization of United Renunciants."

Garry L. Scarff:

Scarff is a well-known and documented liar. He invents stories out of wholecloth to get media coverage. One of his better known lies was that his family had been killed at Jonestown. When his supposedly deceased family members were found alive and well and never to have been involved with Jonestown or Jim Jones, his claims were exposed as lies and he had to retract them.

Mr. Scarff has never been to Golden Era Productions. Nor, despite his fabrications to the contrary, has he ever been Church staff or a Scientology parishioner.

May 9, 1994

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Hana and Jerry Whitfield:

The Whitfields' claims against the Church of Scientology were characterized by the California Superior Court in 1988 as "frivolous" and "devoid of facts" Their accusations were so vacuous that despite being allowed seven separate opportunities to state a set of facts sufficient to even bring a case, they were unable to do so. Their "\$1 billion suit" was thrown out of court and monetary sanctions were levied against them. The court's ruling was unanimously upheld on appeal.

Jerry Whitfield is a former drug dealer and Hana has a history of mental instability and psychiatric treatment.

Neither of the Whitfields have ever been to Golden Era Productions and so have no knowledge of the matters that would be at issue in a trial.

Richard and Vicki Aznarans:

The Aznarans left the Church in 1987. They have no knowledge of relevant facts concerning Tom Cruise or Golden Era Productions and their credibility has been questioned by a United States judge.

On January 31, 1994, after reviewing in camera unredacted FBI documents relating to spurious charges levelled by the Aznarans against Church representatives, the Chief Federal Judge in Los Angeles, Manuel L. Real, ordered the FBI to determine what information in those records constituted evidence that the Aznarans had made false statements, either to the FBI or in sworn testimony. This investigation is ongoing.

The Aznarans have not been at Golden Era Productions since March 1987 and have no knowledge of any visits there by Tom Cruise.

Lawrence Wollersheim:

Mr. Wollersheim also suffers from a major credibility problem. By his own admission, he has abused LSD approximately 300 times and his own psychiatric experts have declared him to be mentally unstable.

Mr. Wollersheim has never been to Golden Era Productions. He left the Church in 1979. He is currently under investigation for spreading malicious lies about individuals and their families.

Scott Mayer:

May 9, 1994

Page 4.

Mr. Mayer left the Church of Scientology in 1976. He has never been to Golden Era Productions and has absolutely no information whatsoever concerning the issues at hand.

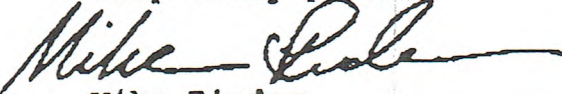
The facts given above are only a sampling of the information which demonstrates the fatal unreliability of Mr. Berry's sources. Due to these "witnesses" appearing after the case had been dismissed, they were not cross-examined. There is far more information that will be forthcoming, in the event of litigation, and again it seems unfortunate that you were unwilling to meet so you could be provided with the facts.

Mr. Berry, however, knows perfectly well that the numerous torts he and his hired witnesses have alleged are lies. In a self-betraying letter to Church counsel in March, he offered to have his paid-for declarants testify that they had never been aware of any criminal conduct on the part of the Church, notwithstanding their supposedly sworn testimony to the contrary.

We have provided the Mirror with abundant information demonstrating the falsity of the Mirror's articles and have explained why it would be a grave mistake for the Mirror to rely on Andre Tabayoyon as a source of information on Scientology and Tom Cruise.

I look forward to hearing from you.

Very truly yours,


Mike Rinder

cc. Gerrard Tyrrell
Harbottle & Lewis

Gerald Feffer
Williams & Connelly

GERALD ARMSTRONG

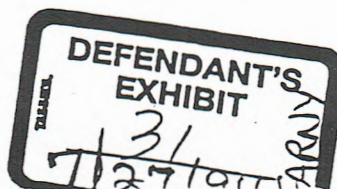
Armstrong is a former clerk for the Church of Scientology of California who, as part of his duties, was entrusted with the care of thousands of pages of personal records belonging to L. Ron Hubbard. In December 1981, Armstrong left the Church and took with him more than 10,000 pages of records belonging to Mr. Hubbard and the Church. This included 5,000 pages of original documents for which no copy was left behind.

As the custodian of confidential Church papers, Armstrong had a fiduciary responsibility not to disclose these documents to individuals outside the Church. In breach of this obligation, Armstrong loaned the documents to one Omar Garrison, an author who at one time had been retained to write a biography of Mr. Hubbard, a project which fell through. Armstrong gave these documents to Garrison not to assist him in writing the biography but to enable Garrison to deliver them to attorneys representing litigants involved in suits against the Church.

In April 1982, Armstrong also made contact with Michael J. Flynn, who was the lead attorney in more than a dozen lawsuits against the Church. Armstrong showed Flynn two private archival documents. Thereafter, from May until August 1982, Armstrong continued to give stolen documents to Flynn for use in Flynn's cases against the Church, even though the litigation did not involve Armstrong. Ultimately, Armstrong gave Flynn thousands of documents, including original and private Navy records and diaries of Mr. Hubbard from the 1940s.

On May 26 and May 27, 1982, the Church wrote to Armstrong demanding return of all the stolen documents, but Armstrong denied having them. Subsequently, however, Armstrong admitted that he indeed had possessed the stolen documents on those dates.

The Church sued Armstrong for the return of the documents. Trial began in the California Superior Court in May 1984. The Court received the testimony of Armstrong and his witnesses, many of whom were clients of attorney Flynn in other actions against the Church. These witnesses for Armstrong were permitted to testify as to Armstrong's purportedly imperiled state of mind. The Court did not permit the Church to present any of its own witnesses to rebut the testimony of hostile witnesses about Armstrong's alleged "state of mind."



200048

Judge Paul G. Breckenridge also heard "evidence" from Armstrong consisting of distortions, half-truths, and outright falsehoods, amounting to a justification defense that Armstrong had stolen the documents to protect himself in the event of "retaliation" by the Church. The result was a negative decision for the Church.

Since the case was heard, Armstrong has adopted a degraded life-style and developed some odd financial ideas. He is the self-proclaimed founder of the "Organization of United Renunciants." In November 1992, the Marin Independent Journal attempted to explain Armstrong's philosophy of life in an article entitled "Is money the root of problems?" The story featured a photograph of an apparently naked Armstrong, eyes closed and smiling, sitting in a lotus position embracing an enormous globe.

According to the article, "Gerald Armstrong has an idea for dealing with the national debt -- write it off. Forget it. It doesn't exist."

"It's that easy.

"The novel prescription for fixing the fiscal fiasco is only part of Armstrong's larger message that money should be abolished ... Armstrong can count only a handful of friends as converts, but he is trying to get the word out. Detailed proposals have gone out to Bill Clinton, Ross Perot and Pete Wilson (no one has tapped him for an economic advisory post just yet). He has also written to the New York Times and other mega-media.

"Ted Koppel has not called."

Armstrong's ideas include "no more pay checks, no more loan payments, no more taxes, and forget that \$20 you owed your brother-in-law." **SECTION 1**

Today, Armstrong is hooked up with Cult Awareness Network, which is primarily a referral agency for those who engage in the illegal activity of kidnapping adults for the purpose of forcibly persuading them to abandon their religious beliefs. In November 1992, Armstrong attended CAN's convention in Los Angeles. He has the ear of Priscilla Coates and appears to be on excellent terms with CAN's leadership.

Armstrong Plotted to Take Over Church Assets

Since the trial, the Church has discovered new evidence which was completely unavailable in 1984.

200049

This evidence shows conclusively that Armstrong's "justification" defense was a sham and a fraud. He was not remotely in fear of retaliation by the Church and was actively plotting the Church's downfall.

Armstrong considered the materials he had stolen useful not only as a lever against the Church and Mr. Hubbard in ongoing litigation with Flynn's clients, but he also sought to use the materials in pursuit of his plan to undermine the Church for his own financial benefit.

As part of his plan, Armstrong actively sought out Church staff members who would be willing to "defect" and assist him in discrediting Church leadership. After leaving the Church, he contacted Church member Daniel Sherman to enlist Sherman's aid in attacking the Church. Sherman, without Armstrong's knowledge, consulted Church staff for advice. It was decided that the Church would obtain authorization from the Los Angeles Police Department to make "undercover" videotapes of Armstrong's conversations with Sherman and any other Church dissidents or defectors.

The police authorized the investigation and videotapes, at which point Sherman embarked on an effort to ascertain the full extent of Armstrong's intentions.

Sherman informed Armstrong that a group of staff members who were dissatisfied with Church management might be interested in working with him in his efforts to undermine the Church. This wholly fictitious group was dubbed "the Loyalists."

Sherman enlisted the aid of two other persons, David Kluge and Mike Rinder, who agreed to pose as "Loyalists" and meet with Armstrong. Kluge assumed the code name "Joey," and first met with Armstrong in the late summer of 1984.

Armstrong told "Joey" that part of his plan was to use the auspices of the Internal Revenue Service to attack the Church. Armstrong wanted "Joey" to plant in the Church's files the documents Armstrong would fabricate, so that Armstrong could tell the Criminal Investigation Division (CID) of the Los Angeles IRS office to conduct a raid and find the "incriminating" documents. He reassured "Joey" that he would be able to create the needed documents "with relative ease" since he had done "it for a living."

Armstrong also explained to "Joey" how he intended to go about forging the new documents, based on his experience:

ARMSTRONG: "So it seems to me that the use of the communication lines, I don't know maybe you guys are using them, but it seems to me that you don't have a way of printing anything to get an issue on the lines, used for anything. Right? I'm saying that I can do it. I can type those goddam things and duplicate them and make them look exactly the same. You can't, you would not be able to tell the difference."

Armstrong also made it clear that he had developed a personal program intended to undermine and eventually destroy the Church. His goals were to oust the current management of Scientology, to obtain an advisory position within the restructured Church by becoming a consultant to the "Loyalists" and to plunder the Church for his own financial gain. His program to remove current Church management included the filing of a civil suit, based on evidence that he would manufacture. In a conversation with another co-conspirator, who, unknown to Armstrong, was still faithful to the Church, he insisted that the suit could be launched based on manufactured allegations.

ARMSTRONG: "They can allege it! They can allege it! They don't even have - they can allege it!"

MIKE: "So, they don't have to -- like, they don't have to have the document sitting in front of them, and then. ..."

ARMSTRONG: "I'm f-king saying the organization destroys the documents.!"

MIKE: "The point -- the point I'm trying to get across is that that's not criminal. That's the -- that's the civil complaint in there and that would have to be proven."

ARMSTRONG: "Show me the lines you're talking about."

MIKE: "Well, it's over here."

ARMSTRONG: "Where are the -- we don't have to prove a goddam thing. We don't have to prove sh-t. We just have to allege it. SECTION 2

At other meetings between Armstrong and his "co-conspirators," Armstrong described in detail his plans for bringing about the collapse of the Church so that he and the other "Loyalists" could move in and take over. Armstrong's goal, as revealed in his own words on videotape, was to overthrow existing Church management and to set up in its place a new set of Church executives who would settle all of the civil damages suits brought

against the Church by the attorneys representing Armstrong. His plans included wresting control of the Church, planting forged incriminating documents in Church files, to be discovered by a government raid, and blackmailing a senior Scientologist executive through attempted sexual entrapment. SECTION 3

In sum, Armstrong's plans consisted of:

A) Stealing documents from the Church to serve as models for forgeries. SECTION 4

B) Plotting the forgery of false incriminating evidence in Church files. SECTION 5

C) Orchestrating a coup in which agents of Armstrong and the U.S. government would take control of the Church of Scientology from its lawful management; SECTION 6

D) Suborning perjury in order to keep his conspiracy under cover. SECTION 7

Armstrong also worked closely with Michael Flynn and two members of the IRS CID, Al Lipkin and Al Ristuccia. In late summer or early fall of 1984, Armstrong contacted Sherman and explained that he and his IRS contacts had come up with a plan to create false documents and plant these on Church premises, where they would be seized in a CID raid. According to Armstrong the IRS agents wanted the "Loyalists" to plant covert electronic bugs in Church offices. Armstrong offered eavesdropping and special photographic equipment.

Armstrong informed "Joey" that the "Loyalists" would be placed in the federal witness protection program and would receive tax-exempt status in exchange for participating in the covert operation.

Armstrong instructed "Joey" how to lie under oath about their plans to disrupt Church management. Armstrong wanted "Joey," if deposed, to say that he and Armstrong had merely discussed a "global settlement" of Church litigation.

ARMSTRONG: "OK, what are our conversations, should it come down to it?"

"JOEY": "What do you mean?"

ARMSTRONG: "What do we talk about? You're deposed. You walk out there, and there's a PI hands you a paper, saying you're deposed, Jack, and not only that, you're out of the organization. And what do you say in deposition. Well,

Armstrong and I talked about this, and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster, you know. What are we doing here? That's my question, before I tell you my ideas on documents."

"JOEY": "Well, what I got is basically -- Loyalists gotta -- we gotta move -- we've got the suit coming up and I guess we need other lines to get stuff going. ..."

ARMSTRONG: "OK. So as far as the doc ... Let me just say, ah, you and I get together, we get together because we have a goal of global settlement. You have felt that the turmoil and abuses and so on have gone on too long ... Hence we get together and discuss things. We have not discussed anything about a destruction of the tech, or Scientology is bad, or anything like that. Are we agreed?" SECTION 8

During one meeting with "Joey," Armstrong's alleged claim that he "feared" Church retaliation was revealed as a complete falsehood.

"JOEY": "Well you're not hiding!"

ARMSTRONG: "Huh?"

"JOEY": "You're not hiding."

ARMSTRONG: "F-k no! And ..."

"JOEY": "You're not afraid, are you?"

ARMSTRONG: "No! And that's why I'm in a f-king stronger position than they are!"

"JOEY": "How's that?"

ARMSTRONG: "Why, I'll bring them to their knees!"

New evidence of Armstrong's fraudulent intentions was revealed in a declaration of November 18, 1991, in which he admitted that he never intended to stick to the terms of the settlement agreement he signed with the Church in 1986. In his declaration, Armstrong asserted that he had read and understood the settlement agreement, but that he "put on a happy face" and went through the charade of signing it even though he told his lawyers that he never intended to abide by its terms. Armstrong's stated reason for signing the agreement in the full knowledge that he would violate it later is so that he could receive the "financial wherewithal" to "get on with the next phase of [his] life." SECTION 9

Armstrong's motives were money and power. This is also shown by a letter to Church attorney Eric Lieberman on June 21, 1991. Armstrong wrote that he had been asked to testify against the Church in a case in South Africa. He laid out specific terms for the settlement of that case. SECTION 10

The Church later appealed the Breckenridge judgment and a decision was issued by the Court of Appeal in 1991. The Church had sought to introduce evidence showing Armstrong's attempts to organize a conspiracy to bring it down, but the Appeals Court stated that it could not accept the new evidence because it had not been a part of the trial record. The Court's decision upheld that of the lower court, but stated that Breckenridge's negative comments about the Church were to be taken to indicate Armstrong's state of mind at the time he stole the documents, and not for their truth.

Armstrong's state of mind is illustrated by various "literary" writings authored by him, none of which more clearly demonstrated it than a document now known as the "pig letter," in which Armstrong purported to describe a dream. SECTION 11

All the documents Armstrong stole have now been returned to the Church. As mentioned above, Armstrong never intended to abide by the terms of the agreement, which included staying out of other court cases involving the Church. Armstrong meddled in these and tried to prejudice their outcome. So, in 1992, the Church filed a new suit against him for breach of settlement. The Court entered an injunction preventing Armstrong from violating the settlement agreement by assisting anti-Church litigants. SECTION 12

During the trial in 1984, Armstrong had made numerous false allegations about L. Ron Hubbard, pretending to the judge that while in the Church, he had thoroughly researched Mr. Hubbard's life. However, Armstrong's incompetence as a researcher is well documented. Ironically, it was Armstrong's lack of research into the various facts and incidents regarding Mr. Hubbard's life that led him to his false claims.

In the court transcripts, Armstrong admitted to his own incompetence as a researcher. While being cross-examined concerning his "research" regarding L. Ron Hubbard's career as an officer in the Navy during World War II, Armstrong stated the following about himself:

1. He was never trained in how to research a

biography.

2. He never searched out and obtained official documents from any agency of the United States government.

3. He was not aware that there was an agency of the United States Navy that kept records of ships.

4. He never attempted to find out what data the Naval Historical Center had on the subchaser 815, the ship under the command of L. Ron Hubbard during World War II.

5. Armstrong concluded that Hubbard was not a Commander of a squadron of Corvettes as he did not do the necessary research to locate the documents in Navy files which established that Hubbard was in command of a squadron of Corvettes (English term for subchaser). Armstrong was not even aware that the initials SC stood for Submarine Chaser.

When questioned during the trial on evidence substantiating Mr. Hubbard's combat record, Armstrong admitted that he merely "went through some books on the subject. But that was it. I never went to D.C. And I obviously never checked the sources that whoever did this research was able to check. So I stand corrected."

SECTION 13

Armstrong also challenged Mr. Hubbard's claim that he (Mr. Hubbard) had been made a blood brother of the Blackfeet Indian tribe. Yet just recently that nation celebrated Mr. Hubbard's 70th anniversary as a blood brother.

A reliable account of Mr. Hubbard's career in the Navy is given by L. Fletcher Prouty, former senior U.S. intelligence officer with the Pentagon.

Mr. Prouty, who joined the Army just a month before Mr. Hubbard joined the Navy, is experienced in reading and understanding military and intelligence records. There is an intelligence process called "sheep dipping," wherein additional or cover files are created which mask the true activities of the intelligence operative. Mr. Prouty's knowledge is based on firsthand experience in creating such files.

His analysis of Mr. Hubbard's files shows that there are at least two and more likely three separate and different files in existence: a "false" file created by the Navy; a personnel file; and a file which contains Mr. Hubbard's true activities as an intelligence officer. It is this last file which appears missing and therefore

there is an incomplete record of Mr. Hubbard's career.

Detailed examples are provided in Mr. Prouty's affidavit. SECTION 14

Regarding Mr. Hubbard's medical history, Mr. Prouty points out that Mr. Hubbard's Notice of Separation paper indicates he was awarded the Purple Heart twice. The Purple Heart is awarded only to those wounded in action.

Another document from the U.S. Naval Hospital in Oakland covers Mr. Hubbard's condition following the war:

"Eyesight very poor. ... Lane in right hip from service connected injury. Infection in bone. ... All service connected."

In sum, Mr. Hubbard's past is exactly what he stated it is.

Mr. Hubbard's achievements completely belie Armstrong's allegations. Through hundreds of books and literally thousands of articles and lectures, L. Ron Hubbard communicated and taught the methods which today are used by millions to improve their own lives and the lives of those around them. His career spans more than 50 years during which he produced more than 530 published works which have sold more than 100 million copies in more than two dozen languages. In developing the religious philosophy of Scientology, he delivered and recorded 6,000 lectures. In country after country, he has received wide acclaim for his accomplishments in bettering mankind.

ooo

200056

SECTION 3

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 17 NOVEMBER 1984

**(Entered as evidence into the
Christopherson Case on April 1985.)**

200072

(Following is a video tape recording
transcript made November 17, 1984.)

VIDEO TAPE RECORDED TRANSCRIPT

MR. ARMSTRONG: How are you doing?

MR. RINDER: Very good. How are you?

MR. ARMSTRONG: Not bad.

MR. RINDER: Finally. Documents. Are you
going to give that back to me?

MR. ARMSTRONG: If you like.

MR. RINDER: So? Here I am. Now, I guess
you are probably going to want a little bit about
why me, but the reason that I wanted to meet you is
because we are a little concerned at this point
about the fact that, you know, stuff being relayed
through this relay point and that, you know, there
may be some misduplication and that kind of shit --
and I want to get the straight scoop from you. I
also -- I brought this draft of the suit. There's
some points in there --

(End of first video tape.)

MR. WADE: For the record, 897 begins now.

(Defendants' Exhibit 897 video tape
played. Following is a transcript
of that recording.)

MR. RINDER: I need it more than you do, I

1 think. So, here I am. Now, I guess you are
2 probably going to want to know a little bit about
3 why -- why me, but the reason that I wanted to meet
4 you is because we are a little concerned at this
5 point about -- the fact that -- you know, the stuff
6 being relayed through this relay point and that --
7 you know, there may be some misduplication and that
8 kind of shit, and I want to get the straight scoop
9 from you. I also -- I brought this draft of the
10 suit. There's some points in there -- well, I have
11 a little concern about some of those, about how we
12 are going to handle that; if we were to go ahead and
13 bring that, how it would actually come off. You
14 know, at certain times we really need to -- to get
15 the real scene, you know, what's really going on, so
16 I'm going to -- I have a (inaudible). Joey doesn't
17 have that. So I can then be a more direct relay
18 point, because this has been going on now for some
19 time.

20 MR. ARMSTRONG: There's a lot of things I
21 would like to work out, which I think would make
22 things go along a lot easier. First of all, the
23 complaint, itself, that's not set in concrete.

24 MR. RINDER: No, no, I understand that.

25 MR. ARMSTRONG: And a lot of issues keep

1 coming up which kind of broadens the whole thing, as
2 far as I'm concerned. The last time I met with Joey
3 it was with the girl, and at that point I was
4 basically given a go ahead to locate an attorney. I
5 don't know if you guys have an attorney, I don't
6 know what the status of that is. However, when,
7 apparently, the money fell through -- well, whatever
8 happened, I did not have the name of the attorneys.
9 And I would be willing to do that, but that's kind
10 of a last thing I was left with.

11 My understanding is it's sort of up in the
12 air the whole thing. And that's okay. I don't have
13 any compulsion to do any of it. But, you know, in
14 my opinion the organization is in a state of
15 transformation and it has to be altered. It is
16 altering itself. We happen to be in a situation
17 right now where, you know, something good can come
18 out of it. That's philosophically where I stand on
19 it. I don't want to continue on a legal battle
20 against anyone.

21 MR. RINDER: That's exactly what our position
22 is on that. That is really the common interest that
23 we have with you.

24 MR. ARMSTRONG: Everyone has -- you know, as
25 an aside, that viewpoint is being assumed on the

1 why I mentioned in the last note. I hope you guys
2 get these things.

3 MR. RINDER: That's one of the things that I
4 don't know, that everything that you said is being
5 relayed correctly.

6 MR. ARMSTRONG: You know, I am only a relay
7 point in this thing. You know, however, I do make
8 it -- you know my purpose to create as much shit as
9 possible. You know, since I have --

10 MR. RINDER: Shit for the organization?

11 MR. ARMSTRONG: I do whatever I do; I have no
12 -- I'm not hooked into anything. Anyway, I mention
13 that, you know, there are many PR aspects to it.
14 And the PR things can be so well done that -- you
15 know, Scientologists, because they have had it
16 drilled into them, tend to believe. They are
17 believers.

1 Anyway, that's why I mentioned get off-policy
2 actions. Anything, any little detail that you can
3 find that the top has done off old accepted policy
4 that they are doing off now, you know, hidden data
5 lines, use of PIs, anything you can find. Then
6 you've got the organization behind you, because they
7 are off policy. Include it in the lawsuit; include
8 it. They are not doing what's best for Scientology,
9 because they are violating the policies. They are
10 operating it autonomously and they are not operating
11 to the best -- for the good of the group.

12 There is a lot of those things that have to
13 be worked out that make the complaint very strong.
14 You know, no one has any idea if the thing will be
15 pulled off. No one. You can't tell five seconds
16 from now what's going to happen and to have to have
17 a sure thing, well, we can wait until the cows come
18 home.

19 MR. RINDER: Yeah, I got that point.

20 MR. ARMSTRONG: It's going to take a Che
21 Guevara, it's going to take some asshole to stand up
22 and say, "Fuck it. Enough of this shit." You know,
23 it's going to take that.

24 MR. RINDER: They will have to be in a strong
25 enough position prior to that to be able to stand up

1 and get anybody to hit them. Do you see what I am
2 saying? You know, it's like --

3 MR. ARMSTRONG: Do you have anyone like that?
4 You know, there's two different positions. You
5 know, there's -- one is the public relations
6 position and one is the organizational position.
7 You may not be in the organizational position, but
8 what kind of position are the people going to be in
9 if a whole shitload of them are indicted? That's
10 not going to have a lot of --

11 MR. RINDER: That's the thing. That's kind
12 of -- That's how that ties into this, because that
13 would weaken those people who are in those positions
14 right now, that have that authority to call a
15 meeting of old stock and let them all stand up there
16 and say, "Look. There's a bunch of assholes and I'm
17 going to get them."

18 MR. ARMSTRONG: You guys have the same
19 possibility.

20 MR. RINDER: Yeah, it's a possibility.

21 MR. ARMSTRONG: You know, it could just be
22 done. The whole -- You know, if you guys
23 concentrated only on the CSC, on the blue building.
24 Divide the damned thing up and just, you know, the
25 day that the thing happens, you know, the day you

1 file your complaint, then just call everyone and say
2 to the meeting, "I don't know the positions of the
3 people or if they are in positions of strength, if
4 they are accepted in the organization or --

5 MR. RINDER: They're not all dishwashers,
6 obviously.

7 MR. ARMSTRONG: -- you know, somewhere in
8 between. They are obviously not in ASI.

9 MR. RINDER: Right. That's not the
10 organization anyway.

11 MR. ARMSTRONG: Right. But not only that,
12 you are going to get people on your side. How about
13 if one of these days -- you know, let's say that at
14 a given hour a whole bunch of people were to pitch
15 up on the doorstep?

16 MR. RINDER: Where at?

17 MR. ARMSTRONG: Wherever you wanted them.
18 Suddenly you have got numbers. Suddenly you have
19 got a lot of people crowding into Lebanon Hall to
20 hear lectures, to hear talks, to hear the
21 announcement. Then you may have numbers on your
22 side.

23 MR. RINDER: Right.

24 MR. ARMSTRONG: There are a lot of people on
25 the outside. And potentially the whole thing could

1 MR. ARMSTRONG: Yeah.

2 MR. RINDER: -- they gotta be -- we've got to
3 check them out and make sure they're factual
4 allegations.

5 MR. ARMSTRONG: That's what Mike has been
6 saying all along. How much does the organization
7 spend on PIs? How much has the organization paid
8 Ingram?

9 MR. RINDER: I don't know.

10 MR. ARMSTRONG: How much have they paid
11 Peterson?

12 MR. RINDER: I don't know. I don't know how
13 much. I don't know how much --

14 MR. ARMSTRONG: Are you able to get that kind
15 of information?

16 MR. RINDER: We may be able to. We may be
17 able to get that. But, see, that gets into this
18 question of then, is that -- is that a suit that is
19 going to win? Is that a suit that's going to get us
20 into a position where we actually come out on top?

21 MR. ARMSTRONG: You can win.

22 MR. RINDER: I mean, I don't know what the
23 defense would be to that.

24 MR. ARMSTRONG: We had to do it because you
25 are being attacked.

1 MR. RINDER: It's not illegal and not a loss.
2 I see that as being a very -- a very -- it's a gray
3 area and it would depend a lot on the public opinion
4 that is generated surrounding that. You know what I
5 mean?

6 MR. ARMSTRONG: Well, there is two things in
7 it --

8 MR. RINDER: It's a legally arguable --

9 MR. ARMSTRONG: If you get my note which
10 explained that you can proceed, you can make an
11 issue of corporate control without alleging
12 anything.

13 MR. RINDER: I don't follow that.

14 MR. ARMSTRONG: Well, there are hundreds of
15 lawsuits. That's generally what lawsuits -- you
16 know, a lot of times a lawsuit has that form, it is
17 simply disagreement over who has control of
18 corporate funds. That is simply the issue there are
19 alleged there was any criminal misconduct or illegal
20 use of the funds or anything.

21 MR. RINDER: So this is alleging it.

22 MR. ARMSTRONG: That's right. The reason for
23 that is because with that, if you can get any of
24 those things, then you -- then the Court can act
25 immediately to freeze the accounts.

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 7 NOVEMBER 1984

**(Entered as evidence into the
Christopherson Case on 10 April 1985.)**

200082

1 MR. JOEY: Yeah.

2 MR. ARMSTRONG: To ask the questions at this
3 point before I digest this stuff, it doesn't make
4 any sense to me.

5 MR. JOEY: Great, now --

6 MR. ARMSTRONG: But --

7 MR. JOEY: -- I need to know, like, what your
8 strategy is regarding these type of things and what
9 we are looking at doing.

10 MR. ARMSTRONG: Well, I got a view, of
11 course, from you, of course, that someone at least
12 considered that I HELP was, you know, their Achilles
13 heel, as it were. So we thought, "Shit, shouldn't I
14 get some I HELP materials?" So hence I asked. Now
15 issues, I wanted to know, number one, how they're
16 run off, what the type face is like. Are these like
17 this? You know --

18 MR. JOEY: These are the real McCoys.

19 MR. ARMSTRONG: You see, because I think that
20 during a part of this, we can simply create these.
21 You know, I can create documents with relative ease,
22 you know; I did it for a living.

23 MR. JOEY: Great. So what kind of stuff are
24 we going to want to create and who's going to get
25 it?

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 7 NOVEMBER 1984

**(Entered as evidence into the
Christopherson Case on 10 April 1985.)**

200084

1 (Court reconvened on April 10, 1985 at

2 9:48 a.m.)

3 MR. COOLEY: Your Honor, just in the event
4 the Court might consider it worthwhile, I have had
5 enough transcripts of the tapes done to give one to
6 each of the jurors and to the Court and to Counsel.

7 THE COURT: I don't think the jurors
8 necessarily need one. I think Counsel should have
9 one to go along.

10 MR. WADE: And copies of the tapes.

11 THE COURT: The record should also indicate
12 Mr. Gutfeld did deliver five boxes of materials this
13 morning. They are right over there, three of which
14 are marked attorney/client privilege, two are not
15 marked. Pursuant to the order of yesterday, they
16 were delivered this morning.

17 MR. McMURRY: Thank you, Your Honor. May we
18 have the opportunity to go through the unmarked,
19 unprivileged two, boxes over the noon hour or break?

20 THE COURT: Let's take that up after we get
21 this started. I was going to do it, but we will
22 talk about that. I want to get going.

23 MR. COOLEY: Would you like a copy of
24 transcript, Your Honor?

25 THE COURT: I have only seen them twice.

1 MR. JOEY: Right.

2 MR. ARMSTRONG: Right? So you originate
3 policy and in the CSW, put all the relevant
4 information. You retain the CSW and you send up the
5 -- the proposal to the people up top. The people up
6 top are going to do whatever they do -- depends on
7 what you intended when you submitted the issue.

8 MR. JOEY: So you can affect attorneys and --

9 MR. ARMSTRONG: You can affect the whole damn
10 thing. You can cause a policy change. For example,
11 regarding the use of PI's, there's a -- Hubbard says
12 in his old issue, "Use our own people; don't use
13 outside people." Well, that's going to hurt.
14 That's going to trap Hubbard, you know. So, in
15 fact, we have to change that policy. And you can
16 put in your CSW the risks that are being run. For
17 example, if it's -- anyway, you can say -- and this
18 is a problem that they run into, the PI's overstep
19 their bounds -- right? -- and they know it.

20 MR. JOEY: I don't know that. I mean,
21 legally, I never -- it's like, you know, attorneys
22 --

23 MR. ARMSTRONG: See, again, I can't tell
24 where you people are positioning to know what in the
25 organization. You know where I'm coming from. In

1 other words, you're not going to have, for lack of
2 any other post, the dishwasher originating issues
3 regarding PI's.

4 MR. JOEY: I want to give you the really good
5 news. Are you ready for this? You're not talking
6 dishwasher, we're not talking dishwasher.

7 MR. ARMSTRONG: Operation Long Prong?]

8 MR. JOEY: Two members of the Board of
9 Directors. Closed.

10 MR. ARMSTRONG: Closed. Holy -- You can do
11 one -- you've got two, two board members? Have they
12 already signed up undated resignations?

13 MR. JOEY: I'm sure that's standard.

14 MR. ARMSTRONG: But they can invalidate them.
15 Let me -- Let me make a note of that. Okay?
16 Because I'll ask Mike on that. It's a legal point.
17 Okay.

18 MR. JOEY: So we got these and we got ideas
19 on how to change them.

20 MR. ARMSTRONG: They're just a lot of ways I
21 think that you can --

22 MR. JOEY: Colors and stuff.

23 MR. ARMSTRONG: Exactly.

24 MR. JOEY: You know how to do all that.
25 Change them and --

1 MR. ARMSTRONG: Well, I think that it is
2 possible. I think a lot of things can be done. I
3 don't propose to. I can't go within a mile of the
4 organization, obviously, so I can't be stuffing
5 things into their comm basket.

6 MR. JOEY: Oh, Yeah. There will be helpers
7 involved. I want to show you this thing. Now, this
8 was from the I HELP --

9 MR. ARMSTRONG: Yep.

10 MR. JOEY: -- and got shredded and we put it
11 together.

12 MR. JOEY: You know who's handwriting that
13 is?

14 MR. JOEY: No. Anyway (inaudible) channel
15 all money flows, I HELP, thereby, dada, and it's
16 talking about the money and I HELP. But why I keep
17 bringing up the legal thing, there's a thing here,
18 handling something, each country's laws, so it looks
19 like it's going to be run by attorneys. You know
20 what I mean. I don't want to give that up. It's
21 not broad -- you can look at it.

22 MR. ARMSTRONG: What's the date on it, do you
23 know?

24 MR. JOEY: It's new. 6 September --

25 MR. ARMSTRONG: -- '84. So I HELP is a thing

1 that's going on.

2 MR. JOEY: The only thing I can give you, it
3 gives you what the initials stand for, something
4 about counseling or something.

5 MR. ARMSTRONG: Fine. Fine.

6 MR. JOEY: Don't know whose that is?

7 MR. ARMSTRONG: Okay. Well, we won't worry
8 about that right now.

9 MR. JOEY: You want to look at anything on
10 that?

11 MR. ARMSTRONG: What we may be able to do is
12 paste this down and then photocopy it again. If we
13 could do it real well, we could turn it into a
14 natural rather than a -- you know what I mean? Glue
15 the sucker really well and rephotocopy it -- and
16 hopefully these are never picked up -- and then join
17 the whole thing back together, just sort of crimp it
18 a little bit because the scorching has turned the
19 edges up. Looks real good. I don't understand it
20 all, yet (inaudible). (.]

21 How do your people feel about -- about the
22 organization, like where they're at? Like, do they
23 feel they're going to weather this storm? Like
24 they're getting more powerful? Or that, you know,
25 they're so firmly entrenched that only this plan of

1 attrition is going to at all move things along?

2 MR. JOEY: Well, we're looking very seriously
3 at actually filing that suit. And one of the things
4 we want back from Michael is what the timing of that
5 should be, see. We have it working in both
6 directions. (Inaudible.)

7 Now, I'll give you this whole thing, all I've
8 got here, the pledge. You wanted the pledge; right?

9 MR. ARMSTRONG: Yeah.

10 Who are these people? David Miscavage?
11 Vicki Aznaran? Heber Jentsch?

12 MR. JOEY: Here's a policy letter. I want
13 you to do something with policy letters.

14 MR. ARMSTRONG: Sure.

15 MR. JOEY: The whole thing was passed out.
16 That's the name of the group and their address and
17 their magazine. They've all these commendations and
18 things that Hubbard's gotten, certificates,
19 international who's who in lecturing. What do you
20 think about all this?

21 MR. ARMSTRONG: He's gotta go down in history
22 as the greatest con man of all time. What fraud.

23 MR. JOEY: What do you want to have happen to
24 him?

25 MR. ARMSTRONG: To have happen to him, I'd

1 MR. JOEY: I was looking at all this.

2 MR. ARMSTRONG: Oh, anyway, just be aware of
3 that possibility. And I think that --

4 MR. JOEY: That -- that if I went down and
5 talked to him -- I wouldn't go there, first of all
6 --

7 MR. ARMSTRONG: No, no.

8 MR. JOEY: Too many Scientologists around.

9 MR. ARMSTRONG: No, I wouldn't say go there.
10 Call him and make arrangements so that he can talk
11 to you people. That's what makes sense. And it
12 makes sense that --

13 MR. JOEY: Think he might arrest me?

14 MR. ARMSTRONG: Him? For what? Oh, no, no.

15 MR. JOEY: Church of Scientology --

16 MR. ARMSTRONG: Oh, no, that he --

17 MR. JOEY: They know where I'm coming from?

18 MR. ARMSTRONG: Well, you know what would
19 make sense? It would make sense in my opinion to
20 make the contact through me so that he knows that
21 you are part of the people that I've talked about.
22 That makes sense. That would save you any problem
23 in terms of identification because they are leery of
24 entrapment.

25 MR. JOEY: Great. Great. One of the things

1 I want to ask, Lyman Spurlock --

2 MR. ARMSTRONG: Yes.

3 MR. JOEY: -- and Carol? I told you about
4 Carol?

5 MR. ARMSTRONG: No.

6 MR. JOEY: Oh, good looking girl. Got a plan
7 on that.

8 MR. ARMSTRONG: Oh, is -- is Carol the name
9 of the girl?

10 MR. JOEY: Yeah.

11 MR. ARMSTRONG: The name of your girl? Oh,
12 Carol. I -- see, Carol is his wife's name, but
13 they've had such a rocky marriage, it's been like
14 off-and-on divorce as long as I've known the guy
15 since '77, so I just thought he's a possibility. I
16 didn't know Carol, but thanks anyway. No, he told
17 me that a real good looker I thought, God, this is,
18 you know, an absolutely perfect opportunity because
19 I think that -- that -- the way to the man's mind is
20 through his cock. And -- and those people
21 especially. I mean, none of the people in WDC are
22 -- are -- you know, ASI, none of them have, like, a
23 lot of brain power. You know what I mean. They're
24 not intellectual giants. And they definitely had
25 rather, shall we say, Philistine tastes. And, you

1 know, there are a lot of good looking women with
2 Philistine tastes, if you know what I mean. It's a
3 possibility.

4 MR. ARMSTRONG: You were going to say
5 something? Did it happen?

6 MR. JOEY: No. So we say, you know, if he
7 gets set up with her --

8 MR. ARMSTRONG: You know, if she's a good
9 actress. You know, I was wondering about the
10 E-Meter today. You know, it seems to me that the
11 E-Meter reads if you don't know your story real
12 well. If you've got your stories down, I don't
13 think there will be any problem. And I think she --
14 I mean, I would like to have the opportunity to sort
15 of (inaudible) some of this off. I just think you
16 guys -- I don't know if it's been tried before, but
17 there's definitely a way to get to the top. That's
18 been known in high political circles for a number of
19 centuries. That could be a lot of fun.

20 MR. JOEY: What time do you have to leave?

21 MR. ARMSTRONG: Now.

22 MR. JOEY: You don't --

23 MR. ARMSTRONG: What else? Do you have some
24 specific questions?

25 MR. JOEY: Yeah, a couple of things. You can

1 MR. ARMSTRONG: The fact that organized --
2 number one, there is -- you have to say there is a
3 conflict, a disagreement about control of funds.
4 Number two, we are requesting the assets be frozen
5 immediately. And the reason is this, this, this and
6 this. Organization that is supposedly a religious
7 organization, is spending nonprofit funds to destroy
8 someone's reputation. They are paying private
9 investigators millions of dollars to destroy
10 someone's reputation. Fabricated evidence. You can
11 allege that.

12 I have a lot of faith in Mike Flynn. You
13 know, I really don't know one way or the other
14 whether or not that the Tamimi thing is bullshit.
15 But I have also spoken to the U.S. -- Deputy U.S.
16 Attorney in Boston, and everything I get from anyone
17 is they are going on the basis that it's bullshit
18 and will uncover it sooner or later. They are
19 trying to extradite Tamimi right now.

20 MR. RINDER: That'll be a real PR coup.

21 MR. ARMSTRONG: And I'm saying, you guys can
22 allege it. Also, I mentioned to Joey last time, I
23 don't think anyone has to get in a frame of mind
24 where if they don't file this thing two days
25 following the indictments, like they have to take a

SECTION 4

200096

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 9 NOVEMBER 1984

(Entered as evidence into the
Christopherson Case on 10 April 1985.)

200097

1 MR. ARMSTRONG: No.

2 MR. JOEY: Great. I got this. This is good.

3 MR. ARMSTRONG: By the way, I'll never admit
4 that anything comes from Michael, including any
5 complaints which I may have drafted.

6 MR. JOEY: Why is that?

7 MR. ARMSTRONG: Because that's how I've got
8 to approach it.

9 MR. JOEY: Okay.

10 MR. ARMSTRONG: Did they understand all this?

11 MR. JOEY: I think so, yes.

12 MR. ARMSTRONG: Jesus Christ.

13 MR. JOEY: Oh, I just lost something. I'll
14 get it.

15 We need a rock, I think. We need a rock to
16 hold on to this.

17 Got it all. Got it all. Got it all.

18 MR. ARMSTRONG: When will we see the lady?

19 MR. JOEY: Oh, in a little bit. Let me
20 finish this up here. I want to go over (Inaudible.)
21 what you went over with Danny yesterday on those doc
22 ideas. I saw Danny real briefly; he handed me this
23 thing and briefly told me he had a little trouble
24 yesterday and he said he went over some doc ideas.

25 MR. ARMSTRONG: The doc ideas were simply

1 which issues are put. There's an absolute frontal
2 attack. I mean, I got this issue, the one on me and
3 the other five, and I think it's important, because
4 what happens outside is that all of a sudden these
5 people kind of rally together. So there's ways that
6 stuff that's written can be used. The specifics of
7 it, in a way, you guys would have to work out.

8 MR. JOEY: So I guess an issue's put together
9 like an assessment, survey.

10 MR. ARMSTRONG: I tell you what, within the
11 next twenty-four hours I'll give you an idea. I'll
12 write something and we can just toss around how can
13 it be used.

14 MR. JOEY: That would be great, that'd be
15 great.

16 MR. ARMSTRONG: And once you've -- here's the
17 way I potentially see it. Let's say that this woman
18 did decide to back this thing and she figured that
19 might as well do something with my life, might as
20 well get off the great rich fence and grovel with
21 the boys for a awhile, and what if she decided and
22 she said, "Well, shit. I'm going to finance some of
23 this."

24 Well, we could set up a press and we could
25 produce issues and then we could set up a network

1 and we could communication lines running outside the
2 organization. And you could create a pool of
3 information just as an immediate thing, we get
4 ourselves -- you guys get yourselves an attorney and
5 work out the exact legal things to be done.

6 Oh, by the way, I spoke to Al Lipkin last
7 night after I was photographed. I went down and saw
8 him because we had talked, and I had told him, "It
9 looks like, just maybe, one or some of these guys
10 are going to want to talk with you." And he was,
11 you know, to some degree, elated, but they never say
12 anything. I told him at that time, I said, "In my
13 opinion, the organization at the top is potentially
14 very fanatic and people could get hurt. If these
15 people that I'm in touch with are brave enough to
16 stick their neck on the line and say, "Enough of the
17 bullshit, okay." So I said, "I'm not saying that
18 this is going to happen. I'm not saying that
19 there's going to be bloodshed, but I think that you
20 guys ought to be aware enough that this is going
21 down or potentially it is, so that you've got some
22 things worked out in advance."

23 And he's smart enough. He already talks
24 about safe houses and relocating and renaming
25 people. But I said, "Well, I don't know what can be

1 done." He keeps asking me, "What can be done?" I
2 say, "I don't know." But I think as an initial
3 thing, what makes sense to me is that the people who
4 are going to put their names on that document --

5 MR. JOEY: The suit?

6 MR. ARMSTRONG: -- on the suit, see you in
7 advance, because as soon as that happens, they
8 become Federal witnesses and the organization's not
9 going to fuck with them. Or if it does --

10 MR. JOEY: That's what Al said?

11 MR. ARMSTRONG: That's what I said. And he
12 said, "That's the best protection that they've got
13 initially." He said, "You know, beyond that, let's
14 just keep in touch on a real close basis."

15 I called him last night after work because I
16 had some more thoughts, and I called him again this
17 morning, you know. I'm on the phone to the guy real
18 tight, and I don't know, but they're the best the
19 government's got to offer, you know, and if the
20 government of the United States can't take on these
21 little assholes down there, we're really in deep
22 kaka.

23 MR. JOEY: Got it. Okay. Let's finish on
24 the documents and then get back to Al Lipton. Where
25 were we on that?

SECTION 5

1 should know that is going on. Now, maybe Jordan's
2 in your pocket; I don't know, I have no idea. But I
3 wanted to pass that on.

4 MR. JOEY: Jordan's not a loyalist.

5 MR. ARMSTRONG: He's not?

6 MR. JOEY: No. I don't know everybody but --

7 MR. ARMSTRONG: Okay. So far as the doc --
8 let me just say, you and I get together, we get
9 together because I have a goal of global settlement.
10 You have felt that the turmoil and the abuses and so
11 on have gone on too long; hence we get together and
12 discuss things. We have not discussed anything
13 about a destruction of the tech or that Scientology
14 is bad or anything like that. Are we agreed?

15 MR. JOEY: Yeah.

16 MR. ARMSTRONG: There's a radio. That's a
17 state car.

18 So it seems to me that the use of the
19 communication lines -- I don't know, maybe you guys
20 are using them, but it seems to me that you don't
21 have a way of printing anything to get an issue on
22 the lines, used for anything; right? I'm saying
23 that I can do it. I can type those goddamn things
24 and duplicate them and make them look exactly the
25 same. You can't. You would not be able to tell the

1 difference. You know, maybe under a microscope you
2 can tell the type of faces, you know, this ones got
3 a little crack on the T and this one doesn't. You'd
4 be able to tell that and they will know. But that
5 happens to be -- that only happens to be one little
6 piece of it. You put out another issue the next day
7 for a totally different purpose. You guys are going
8 to need to put out issues when this thing happens,
9 you got to inform the crew. You should be preparing
10 right now, in my opinion, goddamn affidavits that I
11 can be -- that we can put into a computer and have
12 run off and ready to go. I can write -- I write
13 legal shit; that's why I want to know your best
14 legal mind. I'd like to talk to him. Maybe you're
15 it; I don't know.

16 MR. JOEY: I'm not it, no.

17 MR. ARMSTRONG: Okay. But I'd like to, so
18 we're really in sync on this thing. Same as the
19 overall best mind. I have no compulsion to -- you
20 know, I'll talk to them through -- around the
21 corner. I don't have to see anybody. But I really
22 want to know that we are in sync and that we're
23 using all the resources that we can. I don't know
24 what you've got. I'm telling you basically what
25 I've got. One thing I have got is mobility.

SECTION 6

200105

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 17 NOVEMBER 1984

**(Entered as evidence into the
Christopherson Case on April 1985.)**

200106

1 guys are concerned. Right? You get a new recruit
2 into the fold. It's a PR campaign.

3 MR. JOEY: Like these issues and PR campaign
4 are going to disrupt the Church and turn it into
5 management.

6 MR. ARMSTRONG: Well, those things, I leave
7 that up -- obviously you guys are in a better
8 position. Christ, you know the game far better than
9 I do. If you want to agent provocateurs, you're the
10 artists. You can probably "do what thou wilt" along
11 those lines. I don't think I have to give you any
12 instructions, but I do think that you know we sit at
13 a particular crossroads of history relative to the
14 Organization and, damn it, we should be able to act,
15 I think. You know? And cause our own destiny here,
16 instead of sitting back and waiting for it to
17 happen. The adrenalin rush. But actually, I can do
18 without that shit. Hence, I'm involved. I keep
19 hearing those things all around, man --

20 MR. JOEY: All right. All right.

21 MR. ARMSTRONG: You know I'll probably have
22 more questions. I always have a lot of questions
23 later. Oh, the other thing, I don't know if it
24 makes sense to you to sort of divide up the
25 Organization and go after people on that basis.

1 Just so that you know, shit, we have this group
2 covered. And then divide it up structurally so that
3 you have all the various key points which have to be
4 covered. I think that you guys will be able to take
5 over and then use operating income to continue the
6 battle. And that way you can secure the buildings,
7 take it over, and I think that it's going to take
8 that kind of thing, a lot of people, by the way.

9 MR. JOEY: Like game plan. Like you want the
10 global settlement, like you say, working together.
11 It'd be like our people running the Church, getting
12 these guys out of the way.

13 MR. ARMSTRONG: Sooner or later someone's
14 going to have to settle.

15 MR. JOEY: Yeah.

16 MR. ARMSTRONG: Like if you guys decide,
17 "Fuck you," just continue on. It really doesn't
18 make any difference. I have my lawsuit and I'm
19 going ahead on that. And that keeps me involved,
20 you know, in addition to everything else I do, and
21 that's going to pay off sooner or later and I'm
22 going to assist wherever I can in bringing this
23 goddamned dog to bay, because I think it's --
24 there's no fucking way you guys should have to go
25 through searches when you walk in and out of the

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 7 NOVEMBER 1984

(Entered as evidence into the
Christopherson Case on 10 April 1985.)

200109

1 MR. ARMSTRONG: That's what we need to talk
2 about.

3 MR. JOEY: Yeah. That's what I want to know.
4 What's the input from Michael on it? How's it going
5 to tie in with what he's doing and what the other
6 people are doing and --

7 MR. ARMSTRONG: That's what we need to get.

8 MR. JOEY: -- and what do the agencies want
9 on this?

10 MR. ARMSTRONG: Okay. Well, the agencies
11 have asked for some specific things; that's all
12 they've asked for. Now --

13 MR. JOEY: Let me take notes. What have they
14 asked for?

15 MR. ARMSTRONG: Well, they've asked for
16 specifically, now, some of the things you've already
17 asked for and I've already passed on. The names
18 that they mentioned: Marlowe, Reynolds, Doug Hay --
19 we talked --

20 MR. JOEY: Now, who wanted this?

21 MR. ARMSTRONG: CID.

22 MR. JOEY: Got it.

23 MR. ARMSTRONG: Now, do you want a number in
24 CID?

25 MR. JOEY: Yeah.

1 MR. ARMSTRONG: Your people should call. Any
2 problems, just call this guy; he's, in my opinion, a
3 pretty straight guy.

4 MR. JOEY: He knows about the Loyalists, what
5 we're doing, stuff like that?

6 MR. ARMSTRONG: Yeah. Basically, yeah.

7 MR. JOEY: What exactly have you told him and
8 what did he say?

9 MR. ARMSTRONG: I've told him -- well, he
10 feels that -- he keeps saying, "When are these guys
11 going to talk to me? I'll meet under any
12 circumstances."

13 MR. JOEY: Wow.

14 MR. ARMSTRONG: He wants to talk. You know,
15 wait a -- let me get -- "Al Lipkin, 213-688-4260.
16 At night" -- (Inaudible.)

17 This is really great. How far is the track?
18 Is it a long thing?

19 MR. JOEY: I think -- (inaudible.)

20 MR. ARMSTRONG: "At night, 688-4151." I
21 believe that's --

22 MR. JOEY: That's his home?

23 MR. ARMSTRONG: I don't think so. I believe
24 that's how --

25 MR. JOEY: This is CID?

1 MR. ARMSTRONG: Yeah. I believe that's how
2 he can be reached. I'm taking a fuck of a chance
3 doing this; so are you. But there's a lot of --

4 MR. JOEY: What does he need from me? What
5 does he want? Or is it just backup for what I need?

6 MR. ARMSTRONG: Well, it ties in -- he would
7 like to get everyone to talk so that they can move,
8 but -- but at the same time, I always say to him,
9 "Listen, your putting us in an uncomfortable
10 situation. If your telling me you haven't got
11 enough to move right now, and I'm giving you the
12 testimony, then I'm a marked man if you guys back
13 off the investigation."

14 He said -- The reason I do that is not
15 because I'm particularly paranoid but because I'm
16 searching for what's going on in their skull. He
17 assured me the investigation is going forward.
18 "We've got enough; that's the way the government
19 works."

20 MR. JOEY: Listen, the bottom line here --
21 I'm not aware of any crime the Church is committing
22 right now. We've looked -- I mean, like,
23 realistically.

24 MR. ARMSTRONG: How much are they paying
25 PI's? Illegal expenditures. Illegal expenditures.

1 MR. JOEY: Great. Great. So what agencies
2 know about us and what do they want and --

3 MR. ARMSTRONG: Justice Department, FBI --

4 MR. JOEY: You talk to these guys?

5 MR. ARMSTRONG: Yeah, I do. Yeah.

6 MR. JOEY: Like who in Justice? Is there a
7 number I can call there?

8 MR. ARMSTRONG: Richard Greenberg. I gave
9 you that one, I think. He's the guy you should
10 call. I'll give you that number. He's in D.C.

11 Did the LA FBI case get dismissed?

12 MR. JOEY: (Inaudible.)

13 MR. ARMSTRONG: Okay. Uh, 202-633-3368. I
14 gave you one for Tom Doughty, FBI in D.C.

15 MR. JOEY: What's his name again?

16 MR. ARMSTRONG: Tom. Thomas D. Doughty,
17 D-o-u-g-h-t-y, 202-324-4532. I gave you CID.
18 There's another guy in CID --

19 MR. JOEY: Yeah. Al Lipkin.

20 MR. ARMSTRONG: Al Ristuctia,
21 R-i-s-t-u-c-t-i-a.

22 MR. JOEY: Is this Al, too?

23 MR. ARMSTRONG: Albert, yeah. 688-4261. It
24 may be the same as the other one I gave you, I'm not
25 sure. Al Lipkin? No the other one is sixty, okay?

1 MR. JOEY: Canada.

2 MR. ARMSTRONG: Oh, in Canada, you know, they
3 have that thing "Project 20." The guy I've talked
4 to a lot is Al Ciampini, 416-965-6138.

5 MR. JOEY: Who was he with, again?

6 MR. ARMSTRONG: He's just the Ontario
7 Provincial Police. Michael -- Mike also thinks that
8 the Florida Attorney General is going to bring some
9 charges. The -- you know, the whole freedom thing.
10 Mike got an indication from -- did I give you the
11 name of the guy who's handling that investigation?

12 MR. JOEY: No.

13 MR. ARMSTRONG: The Tamimi investigation?
14 Let's see -- Brackett Denniston. His first name is
15 Brackett; last name is Denniston, D-e-n-n-i-s-t-o-n,
16 and he's (617) 223-2280. He's the Assistant U.S.
17 Attorney involved in the Tamimi thing. And his last
18 indication to Mike was: it is clear that an attempt
19 to completely ruin someone's name with false
20 information is a crime.

21 MR. JOEY: Got it. Okay.

22 MR. ARMSTRONG: So all you have to do is,
23 again, take that viewpoint: "It's a crime," never
24 been proven.

25 MR. JOEY: So what do these -- what's justice

200114

1 need from Loyalists, FBI, CID, how --

2 MR. ARMSTRONG: They'd like to talk to
3 whoever knows about -- I'll tell you who wants to
4 talk to you is CID. CID are the guys. That's the
5 most likely -- absolutely the most likely place in
6 which the whole thing will happen. Canada, you
7 know, they're a little far away; they're going to
8 move first. And perhaps it is an embarrassment to
9 the rest of the U.S. people that the Canadians
10 scooped them on the thing. You know, if everything
11 goes right with the Canadians, they have to move by
12 December 2nd. That's the cutoff date. If they
13 don't by December 2nd, then that's all over, they
14 give back the Toronto docs and --

15 MR. JOEY: So what do they want from us?

16 MR. ARMSTRONG: They want to talk to you
17 people. They want -- yeah, there's two things.
18 Number one, you guys should, I think, make plans, at
19 least, in the event that the whole thing is blown,
20 someone breaks or whatever, exactly how to handle
21 it, because, you know, you can simply -- no one
22 needs to be held. Don't go for it. Just walk out
23 the door. And I don't know if they'd be stupid
24 enough to try to fuck you over by holding you;
25 maybe, but I doubt it.

1 MR. JOEY: We can put the CSW together. We
2 can handle distribution.

3 MR. ARMSTRONG: That's exactly the sort --
4 the CSW is the greatest weapon you guys got. You
5 know, the CSW about the situation with the PIs given
6 that someone is in a position that they would be
7 doing such a thing. I think, you know, how about if
8 -- I've got a letter that says that Eugene Ingram
9 works for L. Ron Hubbard, you know. Okay. Okay.
10 Then you say, well, let's say you guys have the
11 information somewhere that Bracket Dennison of the
12 US Attorneys office felt that this whole thing was a
13 setup and then you say, "Well, we can't have that
14 problem. Here's this letter out there saying that
15 he works for Hubbard. We can't endanger the source.
16 We have to act." So thereof, here's my proposal.
17 And just the fact of having that goddamn proposal of
18 some guy standing up and saying, "I've got to defend
19 source," you've got such incriminating information
20 on the CSW. You follow? Even if they responded at
21 all, they're acknowledging that this is -- that's
22 true.

23 MR. JOEY: So we put a letter together saying
24 that.

25 MR. ARMSTRONG: I'm saying a CSW, and you

1 keep your copy of the CSW. They're going to come
2 around hunting. "Where the fuck is it? Ah shit,
3 got rid of it all." Except you've made it off the
4 property and you've got it somewhere. Type it off
5 the property and bring it in. Never there's no
6 problem bringing stuff in. Right? You could bring
7 stuff in and maybe you can't sit at your desk and
8 type it; I don't know. I don't know the
9 demographics and the geographics and anything else
10 in the place, but it seems to me that it's a much
11 more high-security deal than it was. Am I right?

12 MR. JOEY: Yeah, a little difficult. Just in
13 getting things typed -- typing, your sitting typing
14 and typing things out --

15 MR. ARMSTRONG: Exactly.

16 MR. JOEY: -- and someone walks in, "What's
17 happening here?" What are you going to say?

18 MR. ARMSTRONG: But just maybe that sort of
19 stuff can be done: issues could be created, stuff
20 can go in. But I mean I'm not really saying create
21 incrimination evidence of which there are no facts,
22 you know, but just to write about the speculation.
23 I mean, did you know that, that Ingram was retained
24 by Lenske, Heller and Magnusson on behalf of
25 Hubbard?

1 MR. JOEY: I know that the attorneys hire and
2 pay and run the PIs.

3 MR. ARMSTRONG: Right. And isn't that off
4 policy?

5 MR. JOEY: You gave me this thing here, yeah.

6 MR. ARMSTRONG: Yeah, that's a goddamned
7 policy quote.

8 MR. JOEY: You see, but that's the whole
9 thing where, you know, the PIs are run by the
10 attorneys, paid for, so the attorneys are running
11 them, you know, so how can you put out an issue
12 saying, you know, fire the PIs, because it's the
13 attorneys doing it -- the attorneys aren't going to
14 pay any attention to the issue, you know what I
15 mean? That --

16 MR. ARMSTRONG: I know. I know. But you've
17 got to simply say, "Oh, fuck." This is off policy
18 now. We've got to get on source, and source, that's
19 the problem. You know you can. What are they going
20 to do? Oh, no, you're off source for saying that
21 you're on source -- I don't know -- I mean, it could
22 be to that degree that they have such utter
23 disregard for policy now that anyone who says this
24 is off policy is just laughed at. Maybe that's the
25 way it is. Policy-fuck. "We're the policy,

1 asshole." Maybe they're that arrogant that they
2 don't give a fiddler's fuck about source and all his
3 tech, I don't know. I don't know what the situation
4 is inside, you see.

5 You guys obviously have your hands on that
6 pulse a lot closer than I do. I only see that
7 potentially there's a tremendous use to which that
8 -- which the communication lines could be put.

9 Anyway, let's continue on. I don't know if
10 I've left you with -- I tell you -- within a day,
11 I'll draft something.

12 MR. JOEY: See if you can draft something and
13 we'll go over it again.

14 MR. ARMSTRONG: Good. All right. But there
15 is the one thing which I think in advance of -- you
16 know, within a day, just divide up the group so --
17 the organization, so let's say you've got
18 thirty-five, let's say that in the particular
19 organization that they're -- that they could
20 possibly contact are five hundred staff. I don't
21 know how many staff there are. A thousand? How
22 many staff?

23 MR. JOEY: More than a thousand.

24 MR. ARMSTRONG: So they divide it up and you
25 say, "Well, I can get this guy, this guy, this guy,

1 and this guy, and it seems logical -- I'm working in
2 LA Org, so therefore I'm going to go to LA Org
3 staff, I'm not going to approach ASI people.

4 Whereas, you don't want to anyway, because obviously
5 they're not the ones you want to survey. But you
6 want to survey at some levels down below in the
7 organization. And that is simply a means of
8 surveying without anyone -- in other words, the
9 issue is the source of it and they can never tell
10 where the issue came from.

11 MR. JOEY: Got to go with the PI thing, too?

12 MR. ARMSTRONG: Well, the PI is another --
13 yeah, I think that something should be done so that
14 they can capitalize on getting stuff, number one,
15 into writing; and number two, possibly unstablizing
16 the whole PI/attorney apparatus. I passed onto
17 Lipkin yesterday to go after Peterson, should go
18 after him with fucking tooth and nails, because
19 Peterson's probably been paid millions of dollars.

20 Oh, listen, let me give you names. Ah shit,
21 I don't know if I brought them. Can you guys get
22 amounts of money to PIs?

23 MR. JOEY: That stuff --

24 MR. ARMSTRONG: Can you get amounts of money
25 to Peterson?

1 pledges and with that kind of -- that's pretty scary
2 literature. It's fucking -- when you get these guys
3 pledged without thought for personal comfort or
4 safety, for fuck's sake, they're saying, "I'm going
5 to go and I'm taking you with me, Jack." I mean
6 that was a fanatic document. I gave that to the
7 Feds already and I'm giving them the other --

8 MR. JOEY: What did they say? They thought
9 it was fanatic, too?

10 MR. ARMSTRONG: Yeah, they thought it was
11 fanatic. And -- but they can't do anything, but
12 they are aware. They are aware. I drop the name
13 Jonestown and they say, "Yeah, we don't want that."
14 They don't say, "Oh, no, it will never happen." You
15 know what I mean? It takes different forms. These
16 guys are too sophisticated to try suicide as the
17 resolution to their problems, I think, but they're
18 not too sophisticated to try and take out some
19 people.

20 That's what I think, anyway. All right.

21 MR. JOEY: Did you have anything else for me?

22 MR. ARMSTRONG: No, I think you've got it.
23 The only other thing was, I've spoken to Al Lipkin.
24 He wants to meet as soon as possible. You guys know
25 my note from yesterday. That's what Mike said. The

1 next thing is, I'm trying to --

2 MR. JOEY: Which note?

3 MR. ARMSTRONG: The two notes there. One has
4 a bunch of questions. These are my -- what is it
5 you call it? -- a shopping list.

6 MR. JOEY: Right. Your questions are on the
7 back.

8 MR. ARMSTRONG: My questions are at the back,
9 yeah.

10 MR. JOEY: How much pay to Ingram? By whom?
11 What corps and individuals? When each payment made?
12 How much for all other PIs prior to DM takeover?
13 And following the specifications on this stuff.

14 MR. ARMSTRONG: Right.

15 MR. JOEY: You know, once again, this is in
16 attorney's offices and -- maybe they can find out
17 how much is paid to the attorneys.

18 MR. ARMSTRONG: That's how -- that's how I
19 analyze it. The money flow is traceable. If they
20 tell me -- if they can say this much is -- I tell
21 you what, you should find out all payments made that
22 went to attorneys, because I have people who can
23 trace those bank accounts and see where the
24 disbursements went from those accounts. You
25 following me? And whether or not there is the

1 Just so that you know, shit, we have this group
2 covered. And then divide it up structurally so that
3 you have all the various key points which have to be
4 covered. I think that you guys will be able to take
5 over and then use operating income to continue the
6 battle. And that way you can secure the buildings,
7 take it over, and I think that it's going to take
8 that kind of thing, a lot of people, by the way.

9 MR. JOEY: Like game plan. Like you want the
10 global settlement, like you say, working together.
11 It'd be like our people running the Church, getting
12 these guys out of the way.

13 MR. ARMSTRONG: Sooner or later someone's
14 going to have to settle.

15 MR. JOEY: Yeah.

16 MR. ARMSTRONG: Like if you guys decide,
17 "Fuck you," just continue on. It really doesn't
18 make any difference. I have my lawsuit and I'm
19 going ahead on that. And that keeps me involved,
20 you know, in addition to everything else I do, and
21 that's going to pay off sooner or later and I'm
22 going to assist wherever I can in bringing this
23 goddamned dog to bay, because I think it's --
24 there's no fucking way you guys should have to go
25 through searches when you walk in and out of the

SECTION 7

GERRY ARMSTRONG VIDEO TRANSCRIPT

FOR 30 NOVEMBER 1984

**(Entered as evidence into the
Christopherson Case on April 1985.)**

1 MR. WADE: We'll go to the November 30th tape
2 now, Exhibit 898.

3 (Following is video tape of November
4 30th played to the jury.)

5 - - - - -

6 MR. RINDER: How are you doing? I don't have
7 much time either.

8 MR. ARMSTRONG: That's okay. Shoot. How are
9 things going?

10 MR. RINDER: Pretty good. I have some
11 questions to take back to the guys because we are,
12 like, wanting to roll now.

13 MR. RINDER: Good. In moving on, the first
14 thing I want to ask you, did you tell Samuels and
15 (inaudible) about us?

16 MR. ARMSTRONG: No.

17 MR. RINDER: You didn't say anything to them
18 about us? You mentioned to me last time you talked
19 to him. We are concerned this is being -- you know,
20 too many people.

21 MR. ARMSTRONG: I don't think there's of
22 (inaudible) right now. (Inaudible) called me and
23 said he heard that -- that I might know something
24 about a takeover. And I said, "I know absolutely
25 nothing." I said, "However, I think it behooves

1 each of us on the outside to realize that there has
2 to be a transition of some things, and that sooner
3 or later there's going to be a shift and we all
4 should be thinking how indeed that should be
5 happening and what it should be like afterwards, and
6 that each one of us should be creating that." So I
7 said, "I have no specific knowledge, I have none
8 whatsoever. However, something has to happen."

9 So I let them know that, yeah, they can
10 always talk to me, and that -- (inaudible)
11 particular positions outside the organization,
12 obviously every I time talk to those guys, you know,
13 there's an exchange of information. But they know
14 nothing that I could be doing about you guys. They
15 contacted me -- (inaudible). Not by me but -- you
16 know, you guys can't keep the lid on very much
17 longer.

18 MR. RINDER: (Inaudible.)

19 MR. ARMSTRONG: Her own sister told at least
20 three maybe four, maybe more people.

21 MR. RINDER: Right.

22 MR. ARMSTRONG: Okay?

23 MR. RINDER: We know about that.

24 MR. ARMSTRONG: I don't know. It's obvious
25 that -- that's the only leak that I know of, of any

1 significance.

2 MR. RINDER: (Inaudible.)

3 MR. ARMSTRONG: (Inaudible) -- Joey
4 contacted me to get information, and I said,
5 "Listen, (inaudible) -- You know, I'm glad you
6 contacted me because I consider you guys part of the
7 network. And frankly, you both ought to be
8 thinking, you know, status quo can't exist. What
9 are we going to do? Everyone that I talked to led
10 us along that direction. But as far as names, no
11 one ever at any time will ever get a name out of me.

12 MR. RINDER: Right. Exactly.

13 MR. ARMSTRONG: You know, probably a lot of
14 people know. Probably -- I would say that the
15 Scientology world is so bored, and they're so
16 (inaudible) and frightened of this (inaudible) shit
17 anyway -- you know --

18 MR. RINDER: Yeah. But we just want to make
19 sure that you are not passing around to anybody
20 unnecessarily or doing anything that would damage
21 our security.

22 MR. ARMSTRONG: In each case like Dave
23 Jordan. Dave Jordan (inaudible) and that's fine.
24 Dave Jordan heard a rumor that Dan might be a
25 revelation to the organization.

1 MR. RINDER: Like, this is a little different
2 from circumstances. Like if we allege that --
3 right? -- then we are not on the same position like
4 where you were when you had a whole trial. You were
5 like -- you know -- (inaudible) The position that
6 you were in was -- you know, the Church is not
7 believable to anybody. It's like, you know, it's
8 got a bad reputation. That puts you in a position
9 where the burden of truth (inaudible). We are not
10 in that position because we are the Church.

11 MR. ARMSTRONG: You are the Church, but you
12 guys are dedicated to the cleaning up of the Church
13 (inaudible) guys who have control, should not have
14 control. You are the Church and you should have
15 control. And they abused (inaudible) -- illegally,
16 because -- because simply, they should not do that.
17 It all has to do with a crumby piece of money.
18 Nobody gives a fuck about (inaudible) or whether or
19 not the money is being used correctly, and whether
20 or not the people who are, in fact, in control are
21 doing it legitimately.

22 MR. RINDER: Yeah, but see, the thing is,
23 what our advice is, is that in order to make the
24 injunction -- a hearing for preliminary injunction
25 stick, there's got to be some, like, criminal stuff.

1 That we gotta be (inaudible) --

2 MR. ARMSTRONG: How do you propose to render
3 that? I can't. I told you what I can do.

4 MR. RINDER: What I was really asking you is
5 -- Someone obviously put this together, whoever that
6 may be. Someone put it together and it would appear
7 that someone had data. We aren't able to find that
8 data. We have found stuff that shows that, you
9 know, what the Church has, but they're not true. Do
10 you have something? Do you have something that we
11 don't have that we could use to support those
12 things?

13 MR. ARMSTRONG: Well, I told you, you could
14 use Schomer. You could use the fact -- You could
15 use the fact of anyone that you know of being locked
16 up. It's illegal.

17 MR. RINDER: (Inaudible) That's the problem.

18 MR. ARMSTRONG: I was locked up.

19 MR. RINDER: Have you got an affidavit on
20 that?

21 MR. ARMSTRONG: I have got a fucking ton of
22 affidavits. I don't know where your guys' access is
23 in the organization. I don't know.

24 MR. RINDER: Well, we can get a lot of shit.
25 We've been working on this for, like, a couple of

1 (inaudible) patently on its face illegal.

2 MR. RINDER: We are talking about --
3 Illegal? It isn't illegal. We have already checked
4 that. It's not illegal to do that. That's the
5 complaint that we are bringing. That's not a
6 criminal matter. It's not -- That's not a crime.

7 MR. ARMSTRONG: Let's put it this way. There
8 could be people going to jail over it.

9 MR. RINDER: I know that --

10 MR. ARMSTRONG: It's a civil lawsuit.

11 MR. RINDER: Yeah. But that's what -- It's a
12 civil lawsuit, that's true.

13 MR. ARMSTRONG: Well, all you have to allege
14 is that, number one, (inaudible) how much was spent
15 by the organization at the orders of these people.

16 MR. RINDER: It's alleging things -- It
17 alleges things.

18 MR. ARMSTRONG: That's fine.

19 MR. RINDER: That's going to take the whole
20 trial, just like -- You know, I'm talking about the
21 concern of a preliminary injunction. Alleging
22 things is fine and alleging things we (inaudible) in
23 certain cases is --

24 MR. ARMSTRONG: If you did, have them act
25 immediately. That's all you have to do.

1 MR. RINDER: What is?

2 MR. ARMSTRONG: Is to say it. That's all
3 that needs to be said.

4 MR. RINDER: We have a hearing and then we
5 have a hearing for the preliminary injunction,
6 that's like --

7 MR. ARMSTRONG: You have a lot of things
8 going for you. If you follow on the tail of all
9 these people being indicted at the top of the
10 organization and the fact that all -

11 MR. RINDER: Yeah, but wait a minute. What's
12 going to happen?

13 MR. ARMSTRONG: Hold on, hold on. Listen, we
14 either are going ahead or we are not. Okay? I
15 don't quite know what you are asking me, because I
16 don't have the information on those three things.

17 MR. RINDER: Okay. That's what I was asking
18 you, if you had something else you could get for us
19 on those that would give us a stronger position.

20 MR. ARMSTRONG: That's what I'm telling you.
21 If I were to get the affidavits on the outside from
22 Schomer and from -- and from Nelson -- I don't know
23 if Nelson will even talk to me, but I'll give it a
24 try. And beyond that, I want to talk to the
25 attorney. There is no one around, aside from

1 guys are concerned. Right? You get a new recruit
2 into the fold. It's a PR campaign.

3 MR. JOEY: Like these issues and PR campaign
4 are going to disrupt the Church and turn it into
5 management.

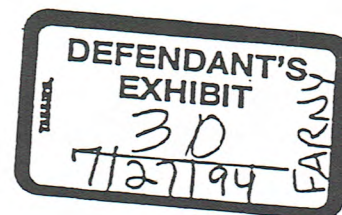
6 MR. ARMSTRONG: Well, those things, I leave
7 that up -- obviously you guys are in a better
8 position. Christ, you know the game far better than
9 I do. If you want to agent provocateurs, you're the
10 artists. You can probably "do what thou wilt" along
11 those lines. I don't think I have to give you any
12 instructions, but I do think that you know we sit at
13 a particular crossroads of history relative to the
14 Organization and, damn it, we should be able to act,
15 I think. You know? And cause our own destiny here,
16 instead of sitting back and waiting for it to
17 happen. The adrenalin rush. But actually, I can do
18 without that shit. Hence, I'm involved. I keep
19 hearing those things all around, man --

20 MR. JOEY: All right. All right.

21 MR. ARMSTRONG: You know I'll probably have
22 more questions. I always have a lot of questions
23 later. Oh, the other thing, I don't know if it
24 makes sense to you to sort of divide up the
25 Organization and go after people on that basis.

FALSE REPORT CORRECTION

GERALD ARMSTRONG



GERALD ARMSTRONG

Armstrong is a former clerk for the Church of Scientology of California who, as part of his duties, was entrusted with the care of thousands of pages of personal records belonging to L. Ron Hubbard. In December 1981, Armstrong left the Church and took with him more than 10,000 pages of records belonging to Mr. Hubbard and the Church. This included 5,000 pages of original documents for which no copy was left behind.

As the custodian of confidential Church papers, Armstrong had a fiduciary responsibility not to disclose these documents to individuals outside the Church. In breach of this obligation, Armstrong loaned the documents to one Omar Garrison, an author who at one time had been retained to write a biography of Mr. Hubbard, a project which fell through. Armstrong gave these documents to Garrison not to assist him in writing the biography but to enable Garrison to deliver them to attorneys representing litigants involved in suits against the Church.

In April 1982, Armstrong also made contact with Michael J. Flynn, who was the lead attorney in more than a dozen lawsuits against the Church. Armstrong showed Flynn two private archival documents. Thereafter, from May until August 1982, Armstrong continued to give stolen documents to Flynn for use in Flynn's cases against the Church, even though the litigation did not involve Armstrong. Ultimately, Armstrong gave Flynn thousands of documents, including original and private Navy records and diaries of Mr. Hubbard from the 1940s.

On May 26 and May 27, 1982, the Church wrote to Armstrong demanding return of all the stolen documents, but Armstrong denied having them. Subsequently, however, Armstrong admitted that he indeed had possessed the stolen documents on those dates.

The Church sued Armstrong for the return of the documents. Trial began in the California Superior Court in May 1984. The Court received the testimony of Armstrong and his witnesses, many of whom were clients of attorney Flynn in other actions against the Church. These witnesses for Armstrong were permitted to testify as to Armstrong's purportedly imperiled state of mind. The Court did not permit the Church to present any of its own witnesses to rebut the testimony of hostile witnesses about Armstrong's alleged "state of mind."

Judge Paul G. Breckenridge also heard "evidence" from Armstrong consisting of distortions, half-truths, and outright falsehoods, amounting to a justification defense that Armstrong had stolen the documents to protect himself in the event of "retaliation" by the Church. The result was a negative decision for the Church.

Since the case was heard, Armstrong has adopted a degraded life-style and developed some odd financial ideas. He is the self-proclaimed founder of the "Organization of United Renunciants." In November 1992, the Marin Independent Journal attempted to explain Armstrong's philosophy of life in an article entitled "Is money the root of problems?" The story featured a photograph of an apparently naked Armstrong, eyes closed and smiling, sitting in a lotus position embracing an enormous globe.

According to the article, "Gerald Armstrong has an idea for dealing with the national debt -- write it off. Forget it. It doesn't exist."

"It's that easy."

"The novel prescription for fixing the fiscal fiasco is only part of Armstrong's larger message that money should be abolished ... Armstrong can count only a handful of friends as converts, but he is trying to get the word out. Detailed proposals have gone out to Bill Clinton, Ross Perot and Pete Wilson (no one has tapped him for an economic advisory post just yet). He has also written to the New York Times and other mega-media.

"Ted Koppel has not called."

Armstrong's ideas include "no more pay checks, no more loan payments, no more taxes, and forget that \$20 you owed your brother-in-law." SECTION 1

Today, Armstrong is hooked up with Cult Awareness Network, which is primarily a referral agency for those who engage in the illegal activity of kidnapping adults for the purpose of forcibly persuading them to abandon their religious beliefs. In November 1992, Armstrong attended CAN's convention in Los Angeles. He has the ear of Priscilla Coates and appears to be on excellent terms with CAN's leadership.

Armstrong Plotted to Take Over Church Assets

Since the trial, the Church has discovered new evidence which was completely unavailable in 1984.

This evidence shows conclusively that Armstrong's "justification" defense was a sham and a fraud. He was not remotely in fear of retaliation by the Church and was actively plotting the Church's downfall.

Armstrong considered the materials he had stolen useful not only as a lever against the Church and Mr. Hubbard in ongoing litigation with Flynn's clients, but he also sought to use the materials in pursuit of his plan to undermine the Church for his own financial benefit.

As part of his plan, Armstrong actively sought out Church staff members who would be willing to "defect" and assist him in discrediting Church leadership. After leaving the Church, he contacted Church member Daniel Sherman to enlist Sherman's aid in attacking the Church. Sherman, without Armstrong's knowledge, consulted Church staff for advice. It was decided that the Church would obtain authorization from the Los Angeles Police Department to make "undercover" videotapes of Armstrong's conversations with Sherman and any other Church dissidents or defectors.

The police authorized the investigation and videotapes, at which point Sherman embarked on an effort to ascertain the full extent of Armstrong's intentions.

Sherman informed Armstrong that a group of staff members who were dissatisfied with Church management might be interested in working with him in his efforts to undermine the Church. This wholly fictitious group was dubbed "the Loyalists."

Sherman enlisted the aid of two other persons, David Kluge and Mike Rinder, who agreed to pose as "Loyalists" and meet with Armstrong. Kluge assumed the code name "Joey," and first met with Armstrong in the late summer of 1984.

Armstrong told "Joey" that part of his plan was to use the auspices of the Internal Revenue Service to attack the Church. Armstrong wanted "Joey" to plant in the Church's files the documents Armstrong would fabricate, so that Armstrong could tell the Criminal Investigation Division (CID) of the Los Angeles IRS office to conduct a raid and find the "incriminating" documents. He reassured "Joey" that he would be able to create the needed documents "with relative ease" since he had done "it for a living."

Armstrong also explained to "Joey" how he intended to go about forging the new documents, based on his experience:

ARMSTRONG: "So it seems to me that the use of the communication lines, I don't know maybe you guys are using them, but it seems to me that you don't have a way of printing anything to get an issue on the lines, used for anything. Right? I'm saying that I can do it. I can type those goddam things and duplicate them and make them look exactly the same. You can't, you would not be able to tell the difference."

Armstrong also made it clear that he had developed a personal program intended to undermine and eventually destroy the Church. His goals were to oust the current management of Scientology, to obtain an advisory position within the restructured Church by becoming a consultant to the "Loyalists" and to plunder the Church for his own financial gain. His program to remove current Church management included the filing of a civil suit, based on evidence that he would manufacture. In a conversation with another co-conspirator, who, unknown to Armstrong, was still faithful to the Church, he insisted that the suit could be launched based on manufactured allegations.

ARMSTRONG: "They can allege it! They can allege it! They don't even have - they can allege it!"

MIKE: "So, they don't have to -- like, they don't have to have the document sitting in front of them, and then. ..."

ARMSTRONG: "I'm f-king saying the organization destroys the documents.!"

MIKE: "The point -- the point I'm trying to get across is that that's not criminal. That's the -- that's the civil complaint in there and that would have to be proven."

ARMSTRONG: "Show me the lines you're talking about."

MIKE: "Well, it's over here."

ARMSTRONG: "Where are the -- we don't have to prove a goddam thing. We don't have to prove sh-t. We just have to allege it. SECTION 2

At other meetings between Armstrong and his "co-conspirators," Armstrong described in detail his plans for bringing about the collapse of the Church so that he and the other "Loyalists" could move in and take over. Armstrong's goal, as revealed in his own words on videotape, was to overthrow existing Church management and to set up in its place a new set of Church executives who would settle all of the civil damages suits brought

against the Church by the attorneys representing Armstrong. His plans included wresting control of the Church, planting forged incriminating documents in Church files, to be discovered by a government raid, and blackmailing a senior Scientologist-executive through attempted sexual entrapment. SECTION 3

In sum, Armstrong's plans consisted of:

A) Stealing documents from the Church to serve as models for forgeries. SECTION 4

B) Plotting the forgery of false incriminating evidence in Church files. SECTION 5

C) Orchestrating a coup in which agents of Armstrong and the U.S. government would take control of the Church of Scientology from its lawful management; SECTION 6

D) Suborning perjury in order to keep his conspiracy under cover. SECTION 7

Armstrong also worked closely with Michael Flynn and two members of the IRS CID, Al Lipkin and Al Ristuccia. In late summer or early fall of 1984, Armstrong contacted Sherman and explained that he and his IRS contacts had come up with a plan to create false documents and plant these on Church premises, where they would be seized in a CID raid. According to Armstrong the IRS agents wanted the "Loyalists" to plant covert electronic bugs in Church offices. Armstrong offered eavesdropping and special photographic equipment.

Armstrong informed "Joey" that the "Loyalists" would be placed in the federal witness protection program and would receive tax-exempt status in exchange for participating in the covert operation.

Armstrong instructed "Joey" how to lie under oath about their plans to disrupt Church management. Armstrong wanted "Joey," if deposed, to say that he and Armstrong had merely discussed a "global settlement" of Church litigation.

ARMSTRONG: "OK, what are our conversations, should it come down to it?"

"JOEY": "What do you mean?"

ARMSTRONG: "What do we talk about? You're deposed. You walk out there, and there's a PI hands you a paper, saying you're deposed, Jack, and not only that, you're out of the organization. And what do you say in deposition. Well,

Armstrong and I talked about this, and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster, you know. What are we doing here? That's my question, before I tell you my ideas on documents."

"JOEY": "Well, what I got is basically -- Loyalists gotta -- we gotta move -- we've got the suit coming up and I guess we need other lines to get stuff going. ..."

ARMSTRONG: "OK. So as far as the doc ... Let me just say, ah, you and I get together, we get together because we have a goal of global settlement. You have felt that the turmoil and abuses and so on have gone on too long ... Hence we get together and discuss things. We have not discussed anything about a destruction of the tech, or Scientology is bad, or anything like that. Are we agreed?" SECTION 8

During one meeting with "Joey," Armstrong's alleged claim that he "feared" Church retaliation was revealed as a complete falsehood.

"JOEY": "Well you're not hiding!"

ARMSTRONG: "Huh?"

"JOEY": "You're not hiding."

ARMSTRONG: "F-k no! And ..."

"JOEY": "You're not afraid, are you?"

ARMSTRONG: "No! And that's why I'm in a f-king stronger position than they are!"

"JOEY": "How's that?"

ARMSTRONG: "Why, I'll bring them to their knees!"

New evidence of Armstrong's fraudulent intentions was revealed in a declaration of November 18, 1991, in which he admitted that he never intended to stick to the terms of the settlement agreement he signed with the Church in 1986. In his declaration, Armstrong asserted that he had read and understood the settlement agreement, but that he "put on a happy face" and went through the charade of signing it even though he told his lawyers that he never intended to abide by its terms. Armstrong's stated reason for signing the agreement in the full knowledge that he would violate it later is so that he could receive the "financial wherewithal" to "get on with the next phase of [his] life." SECTION 9

Armstrong's motives were money and power. This is also shown by a letter to Church attorney Eric Lieberman on June 21, 1991. Armstrong wrote that he had been asked to testify against the Church in a case in South Africa. He laid out specific terms for the settlement of that case. SECTION 10

The Church later appealed the Breckenridge judgment and a decision was issued by the Court of Appeal in 1991. The Church had sought to introduce evidence showing Armstrong's attempts to organize a conspiracy to bring it down, but the Appeals Court stated that it could not accept the new evidence because it had not been a part of the trial record. The Court's decision upheld that of the lower court, but stated that Breckenridge's negative comments about the Church were to be taken to indicate Armstrong's state of mind at the time he stole the documents, and not for their truth.

Armstrong's state of mind is illustrated by various "literary" writings authored by him, none of which more clearly demonstrated it than a document now known as the "pig letter," in which Armstrong purported to describe a dream. SECTION 11

All the documents Armstrong stole have now been returned to the Church. As mentioned above, Armstrong never intended to abide by the terms of the agreement, which included staying out of other court cases involving the Church. Armstrong meddled in these and tried to prejudice their outcome. So, in 1992, the Church filed a new suit against him for breach of settlement. The Court entered an injunction preventing Armstrong from violating the settlement agreement by assisting anti-Church litigants. SECTION 12

During the trial in 1984, Armstrong had made numerous false allegations about L. Ron Hubbard, pretending to the judge that while in the Church, he had thoroughly researched Mr. Hubbard's life. However, Armstrong's incompetence as a researcher is well documented. Ironically, it was Armstrong's lack of research into the various facts and incidents regarding Mr. Hubbard's life that led him to his false claims.

In the court transcripts, Armstrong admitted to his own incompetence as a researcher. While being cross-examined concerning his "research" regarding L. Ron Hubbard's career as an officer in the Navy during World War II, Armstrong stated the following about himself:

1. He was never trained in how to research a

biography.

2. He never searched out and obtained official documents from any agency of the United States government.

3. He was not aware that there was an agency of the United States Navy that kept records of ships.

4. He never attempted to find out what data the Naval Historical Center had on the subchaser 815, the ship under the command of L. Ron Hubbard during World War II.

5. Armstrong concluded that Hubbard was not a Commander of a squadron of Corvettes as he did not do the necessary research to locate the documents in Navy files which established that Hubbard was in command of a squadron of Corvettes (English term for subchaser). Armstrong was not even aware that the initials SC stood for Submarine Chaser.

When questioned during the trial on evidence substantiating Mr. Hubbard's combat record, Armstrong admitted that he merely "went through some books on the subject. But that was it. I never went to D.C. And I obviously never checked the sources that whoever did this research was able to check. So I stand corrected."

SECTION 13

Armstrong also challenged Mr. Hubbard's claim that he (Mr. Hubbard) had been made a blood brother of the Blackfeet Indian tribe. Yet just recently that nation celebrated Mr. Hubbard's 70th anniversary as a blood brother.

A reliable account of Mr. Hubbard's career in the Navy is given by L. Fletcher Prouty, former senior U.S. intelligence officer with the Pentagon.

Mr. Prouty, who joined the Army just a month before Mr. Hubbard joined the Navy, is experienced in reading and understanding military and intelligence records. There is an intelligence process called "sheep dipping," wherein additional or cover files are created which mask the true activities of the intelligence operative. Mr. Prouty's knowledge is based on firsthand experience in creating such files.

His analysis of Mr. Hubbard's files shows that there are at least two and more likely three separate and different files in existence: a "false" file created by the Navy; a personnel file; and a file which contains Mr. Hubbard's true activities as an intelligence officer. It is this last file which appears missing and therefore

there is an incomplete record of Mr. Hubbard's career.

Detailed examples are provided in Mr. Prouty's affidavit. SECTION 14

Regarding Mr. Hubbard's medical history, Mr. Prouty points out that Mr. Hubbard's Notice of Separation paper indicates he was awarded the Purple Heart twice. The Purple Heart is awarded only to those wounded in action.

Another document from the U.S. Naval Hospital in Oakland covers Mr. Hubbard's condition following the war:

"Eyesight very poor. ... Lane in right hip from service connected injury. Infection in bone. ... All service connected."

In sum, Mr. Hubbard's past is exactly what he stated it is.

Mr. Hubbard's achievements completely belie Armstrong's allegations. Through hundreds of books and literally thousands of articles and lectures, L. Ron Hubbard communicated and taught the methods-which today are used by millions to improve their own lives and the lives of those around them. His career spans more than 50 years during which he produced more than 530 published works which have sold more than 100 million copies in more than two dozen languages. In developing the religious philosophy of Scientology, he delivered and recorded 6,000 lectures. In country after country, he has received wide acclaim for his accomplishments in bettering mankind.

ooo

August 4, 1991

GERALD ARMSTRONG

Gerry Armstrong is a former archivist for the Church of Scientology of California who, as part of his duties, was entrusted with the care of thousands of pages of personal records belonging to L. Ron Hubbard. In December 1981, Armstrong left the Church, and took with him over 10,000 pages of records belonging to Mr. Hubbard, Mrs. Hubbard and the Church, including over 5,000 pages of original documents for which no copy was left behind. Armstrong then turned those documents over to attorneys representing plaintiffs suing the Church and the Hubbards in spurious civil damages actions. The Church and Mrs. Hubbard filed suit in August 1982 to obtain the return of the stolen documents, and Armstrong was required to surrender all copies of the stolen records to the Los Angeles Superior Court for safekeeping while the action was litigated. In June 1984, following a six week trial in which the Court allowed Armstrong to enter several thousand pages of the stolen documents into evidence as support for his "state of mind," the Court ruled that the Church and Mrs. Hubbard had proven their cases against Armstrong for civil theft of the documents, for breach of his fiduciary duties, and for invasion of Mrs. Hubbard's privacy. However, in a decision which is still on appeal, the Court also ruled that Armstrong was justified in his actions by his fear of potential harm from the Church.

In August 1984, Armstrong began conspiring with staff members of the Church whom he believed to be disaffected with Church management. Armstrong's goal was to overthrow existing Church management and to set up in its place a new set of Church executives who would settle all of the civil damages suits brought against the Church by the attorneys representing Armstrong. Armstrong's actions were directed by attorney Michael J. Flynn as well as Los Angeles Internal Revenue Service Criminal Investigations Division special agent Alan Lipkin. His plans included planting forged incriminating documents in Church files, to be discovered by a government raid, and blackmailing a senior Scientologist executive through attempted sexual entrapment. Armstrong's plans also included the filing of a civil damages suit against Church management and, when the Church staff member with whom he was plotting stated that they did not have the evidence needed for such a suit, Armstrong told the staff member to, "just allege it." However, unknown to Armstrong, the staff members with whom he was conspiring were not actually opposed to Church management, and much of his plotting was videotaped. (See Declarations of John G. Peterson page 4 and Earle C. Cooley page 12.

In March and April 1985, Armstrong testified at the trial of the civil action brought against the Church of

Scientology in Portland, Oregon by Julie Christofferson. During that trial, the videotapes of Armstrong's abortive conspiracy were made public. Also obtained from Armstrong's fellow "conspirators" during that period of time were copies of various "literary" writings authored by Armstrong, none of which more clearly demonstrated his state of mind than a document now known as the "pig letter," in which Armstrong purported to describe a dream. (See letter, page 31.)

In December 1986, the Church entered into a settlement agreement with Armstrong's attorneys in which all of the cases brought by those attorneys, including Armstrong's cross-complaint against the Church of Scientology of California and Mrs. Hubbard, were settled. (The sole exception to this was the suit brought against Armstrong, which remained pending on appeal.) One of the conditions of that settlement was that Armstrong and his counsel surrender all of the documents in their possession pertaining to the Church or the Hubbards. When they did so, copies of the documents which Armstrong had stolen from the Church in December 1981 were provided, demonstrating that Armstrong had perjured himself numerous times throughout the history of the litigation when he had asserted that all such copies were surrendered to the court. (See Declaration of Kenneth D. Long, page 33.)

ALLEGATION:

Church management is corrupt, and commits actions such as blackmail and extortion through the use of confidential pastoral counseling information.

TRUE INFORMATION:

Armstrong admitted as part of the December 1986 settlement of his case that the actions of the Church from which his disagreements stemmed had all been committed by the Guardian's Office, a branch of the Church which was completely cleaned up by present Church management. (See Declaration of Gerald Armstrong, page 36.)

ALLEGATION:

L. Ron Hubbard lied about his background and history, including his record in World War II.

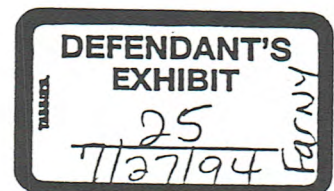
TRUE INFORMATION:

Armstrong had no formal training on biographical research, and never attempted obtain any such training. He did not go to government agencies or the Naval Historical Center for records regarding Mr. Hubbard or

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FALSE REPORT CORRECTION

BRECKENRIDGE



200357

CHURCH OF SCIENTOLOGY OF CALIFORNIA (Plaintiff)

VS

GERALD ARMSTRONG (Defendant)

June 20, 1984

Gerry Armstrong is a former clerk for the Church of Scientology of California who, as part of his duties, was entrusted with the care of thousands of pages of personal records belonging to L. Ron Hubbard. In December 1981, Armstrong left the Church, and took with him over 10,000 pages of records belonging to Mr. Hubbard, Mrs. Hubbard and the Church. This included 5,000 pages of original documents for which no copy was left behind.

In August 1982, the Church filed suit against Armstrong for return of these documents. Judge Paul Breckenridge, who presided over the case in the California Superior Court, admitted that in taking the documents, Armstrong "may have engaged in overkill, in the sense that he took voluminous materials, some of which appear only marginally relevant to his defense." Armstrong pleaded "justification," claiming that his theft of the materials was necessary as insurance against suits or attacks against him by the Church.

Apart from his comments on Armstrong's "overkill," Breckenridge's findings were highly negative about the Church and Mr. Hubbard, showing the extent to which false reports aired in the courtroom by Armstrong had impinged on him.

Since the case was heard, Armstrong has adopted a hippy life-style. He is the self-proclaimed founder of the "Organization of United Renunciants." A November 1992 article in the Marin Independent Journal featured a photograph of an apparently naked Armstrong, eyes closed and smiling, sitting in a lotus position embracing a globe.

The article stated that "Gerald Armstrong has an idea for dealing with the national debt — write it off. Forget it. It doesn't exist."

"It's that easy."

"The novel prescription for fixing the fiscal fiasco is only part of Armstrong's larger message that money should be abolished. ... Armstrong can count only a handful of friends as converts, but he is trying to get the word out. Detailed proposals have gone out to Bill Clinton, Ross Perot and Pete Wilson (no one has tapped him for an economic advisory post just yet). He has also written to the New York Times and other mega-media.

"Ted Koppel has not called."

Section 1 -

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

"The Church or its minions is fully capable of intimidation or other physical or psychological abuse if it suits their ends. The record is replete with evidence of such abuse."

TRUE INFORMATION

Incontrovertible evidence, not available at the time of the trial and not permitted to be included in the appeal record, has established that Armstrong's justification defense was a fraud upon the court, designed to avoid liability for his tortious conduct and to prevent fair adjudication of the Church's claims.

As the custodian of confidential Church papers, Armstrong had a fiduciary responsibility not to disclose these documents to individuals outside the Church. In breach of this obligation, Armstrong loaned the documents to one Omar Garrison, an author who at one time had been retained to write a biography of Mr. Hubbard, a project which fell through. Armstrong gave these documents to Garrison not to assist him in writing the biography but to enable Garrison to deliver them to attorneys representing litigants involved in suits against the Church.

In April 1982, Armstrong also made contact with Michael J. Flynn, who was the lead attorney in more than a dozen lawsuits against the Church. Armstrong showed Flynn two of the most intensely private archival documents. Thereafter, from May until August 1982, Armstrong continued to give stolen documents to Flynn for use in Flynn's cases against the Church, even though the litigation did not involve Armstrong. Ultimately, Armstrong gave Flynn thousands of documents, including original and private naval records and diaries of Mr. Hubbard from the 1940s.

On May 26 and May 27, 1982, the Church wrote to Armstrong demanding return of all the stolen documents, but Armstrong denied having them. Subsequently, Armstrong admitted that he indeed had possessed the stolen documents on those dates.

Trial began in May 1984. The Court received the testimony of Armstrong and his witnesses, many of whom were clients of attorney Flynn in other actions against the Church. These witnesses for Armstrong were permitted to testify as to Armstrong's purportedly imperiled state of mind. The Court did not permit the Church to present any of its own witnesses to rebut the testimony of hostile witnesses about Armstrong's alleged "state of mind."

Breckenridge also heard "evidence" from Armstrong consisting of distortions, half-truths, and outright falsehoods, amounting to a justification defense that Armstrong had stolen the documents to protect himself in the event of "retaliation" by the Church.

Since the trial, the Church has discovered new evidence which was completely unavailable at the time of trial. This evidence shows conclusively that Armstrong's "justification" defense was a sham and a fraud. He was not remotely in fear of retaliation by the Church and

was actively plotting the Church's downfall.

Armstrong considered the stolen materials useful not only as a lever against the Church and the Hubbards in then- ongoing litigation with Flynn's clients, but he also sought to use the materials in pursuit of his plan to undermine the Church for his own financial benefit.

As part of his plan, Armstrong actively sought out Church staff members who would be willing to "defect" and assist him in discrediting Church leadership. After leaving the Church, he contacted Church member Daniel Sherman to enlist Sherman's aid in attacking the Church. Sherman, without Armstrong's knowledge, consulted Church staff for advice. It was decided that the Church would obtain authorization from the Los Angeles Police Department to make "undercover" videotapes of Armstrong's conversations with Sherman and any other Church dissidents or defectors.

The police authorized the investigation and videotapes, at which point Sherman embarked on an effort to ascertain the full extent of Armstrong's intentions.

Sherman informed Armstrong that a group of staff members who were dissatisfied with Church management might be interested in working with him in his efforts to undermine the Church. This wholly fictitious group was dubbed "the Loyalists."

Sherman enlisted the aid of two other persons, David Kluge and Mike Rinder, who agreed to pose as "Loyalists" and meet with Armstrong. Kluge assumed the code name "Joey," and first met with Armstrong in the late summer of 1984.

Armstrong told "Joey" that part of his plan was to use the auspices of the Internal Revenue Service to attack the Church. Armstrong wanted "Joey" to plant in the Church's files the documents Armstrong would fabricate, so that Armstrong could tell the Criminal Investigation Division (CID) of the Los Angeles IRS office to conduct a raid and find the "incriminating" documents. He reassured "Joey" that he would be able to create the needed documents "with relative ease" since he had done "it for a living."

Armstrong also explained to "Joey" how he intended to go about forging the new documents, based on his experience: ARMSTRONG: "So it seems to me that the use of the communication lines, I don't know maybe you guys are using them, but it seems to me that you don't have a way of printing anything to get an issue on the lines, used for anything. Right? I'm saying that I can do it. I can type those goddam things and duplicate them and make them look exactly the same. You can't, you would not be able to tell the difference."

Armstrong also made it clear that he had developed a personal program intended to undermine and eventually destroy the Church. His goals were to oust the current management of Scientology, to obtain an advisory position within the restructured Church by becoming a consultant to the "Loyalists" and to plunder the Church for his own financial gain. His program to remove current Church management included the filing of a civil suit, based on evidence that

he would manufacture. In a conversation with another co-conspirator, who, unknown to Armstrong, was still faithful to the Church, he insisted that the suit could be launched based on manufactured allegations. ARMSTRONG: "They can allege it! They can allege it! They don't even have - they can allege it!" MIKE: "So, they don't have to -- like, they don't have to have the document sitting in front of them, and then...." ARMSTRONG: "I'm f-king saying the organization destroys the documents....!" MIKE: "The point -- the point I'm trying to get across is that that's not criminal. That's the -- that's the civil complaint in there and that would have to be proven." ARMSTRONG: "Show me the lines you're talking about." MIKE: "Well, it's over here." ARMSTRONG: "Where are the -- we don't have to prove a goddam thing. We don't have to prove sh-t. We just have to allege it. Section 2

At other meetings between Armstrong and his "co-conspirators," Armstrong described in detail his plans for bringing about the collapse of the Church so that he and the other "Loyalists" could move in and take over. Armstrong's goal, as revealed in his own words on videotape, was to overthrow existing Church management and to set up in its place a new set of Church executives who would settle all of the civil damages suits brought against the Church by the attorneys representing Armstrong. His plans included planting forged incriminating documents in Church files, to be discovered by a government raid, and blackmailing a senior Scientologist executive through attempted sexual entrapment. Section 3

In sum, Armstrong's plans consisted of:

- A) Stealing documents from the Church to serve as models for forgeries. Section 4
- B) Plotting the forgery of false incriminating evidence in Church files. Section 5
- C) Orchestrating a coup in which agents of Armstrong and the U.S. government would wrest control of the Church of Scientology from its lawful management; Section 6
- D) Suborning perjury in order to keep his conspiracy under cover. Section 7

Armstrong also worked closely with Michael Flynn and two members of the IRS CID, Al Lipkin and Al Ristuccia. In late summer or early fall of 1984, Armstrong contacted Sherman and explained that he and his IRS contacts had come up with a plan to create false documents and plant these on Church premises, where they would be seized in a CID raid. According to Armstrong the IRS agents wanted the "Loyalists" to plant covert electronic bugs in Church offices. Armstrong offered eavesdropping and special photographic equipment.

Armstrong informed Joey that the "Loyalists" would be placed in the federal witness protection program and would receive tax-exempt status in exchange for participating in the covert operation.

Judge Breckenridge, who in his decision praised Armstrong for his "dedication" to the truth, would have been astonished had he witnessed Armstrong's discussions with "Joey." In one

of them, available on tape, Armstrong instructed "Joey" how to lie under oath about their plans to disrupt Church management. Armstrong wanted "Joey," if deposed, to say that he and Armstrong had merely discussed a "global settlement" of Church litigation. ARMSTRONG: "OK, what are our conversations, should it come down to it?" JOEY: "What do you mean?" ARMSTRONG: "What do we talk about? You're deposed. You walk out there, and there's a PI hands you a paper, saying you're deposed Jack, and not only that, you're out of the organization. And what do you say in deposition. Well, Armstrong and I talked about this, and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster, you know. What are we doing here? That's my question, before I tell you my ideas on documents." JOEY: Well, what I got is basically -- Loyalists gotta -- we gotta move -- we've got the suit coming up and I guess we need other lines to get stuff going...." ARMSTRONG: "OK. So as far as the doc... Let me just say, ah, you and I get together, we get together because we have a goal of global settlement. You have felt that the turmoil and abuses and so on have gone on too long... Hence we get together and discuss things. We have not discussed anything about a destruction of the tech, or Scientology is bad, or anything like that. Are we agreed?"

Armstrong successfully used the fabricated defense of justification to pull the wool over Breckenridge's eyes and escape liability for his theft and breach of confidence. During one meeting with "Joey," Armstrong's alleged claim that he "feared" Church retaliation was revealed as a complete falsehood. JOEY: "Well you're not hiding!" ARMSTRONG: "Huh?" JOEY: "You're not hiding." ARMSTRONG: "F-k no! And...." JOEY: "You're not afraid, are you?" ARMSTRONG: "No! And that's why I'm in a f-king stronger position than they are!" JOEY: "How's that?" ARMSTRONG: "Why, I'll bring them to their knees!"

New evidence of Armstrong's fraudulent intentions was revealed in a declaration of November 18, 1991, in which he admitted that he never intended to stick to the terms of the settlement agreement he signed with the Church in 1986. In his declaration, Armstrong asserted that he had read and understood the settlement agreement, but that he "put on a happy face" and went through the charade of signing it even though he told his lawyers that he never intended to keep to its terms. Armstrong's stated reason for signing the agreement in the full knowledge that he would violate it later is so that he could receive the "financial wherewithal" to "get on with the next phase of [his] life." Section 8

Breckenridge's willingness to believe Armstrong is partly attributable to Armstrong's own skill as a con-man, and partly to Breckenridge's own history as a judge compounded with his misperception of the Church of Scientology.

Paul Breckenridge spent 15 years of his life, from 1953 to 1968, defending alleged criminals in the Los Angeles Public Defender's office. Breckenridge went into the L.A. Superior Court in 1968 and was assigned to criminal trials up until 1974. It was not until 1978 that Breckenridge moved to civil cases.

Breckenridge's history shows that he came under attack several times as a judge in the

criminal court, including having suits filed against him for violation of civil rights. Breckenridge has been sued together with staff from the Los Angeles District Attorney's office, the California Attorney General's office and others in the field of law enforcement.

On December 8, 1971, a Ronald Fobbs filed suit against Breckenridge and several others including the L.A. District Attorney. The suit was filed over an incident whereby Fobbs spent two years in jail unnecessarily. Because Fobbs had never waived his right to a jury trial, when the decision in his case was reversed he sued Breckenridge and others involved in the case. He did not pursue it.

In July 1973, Breckenridge was sued together with L.A. District Attorney Joseph Busch and other law enforcement personnel, again on charges of violations of federal rights. The plaintiff was a John Aravjo, who asked for \$20,000 compensatory damages plus \$10,000 punitive damages from each plaintiff. Aravjo filed suit claiming harassment and deprivation of his right to a fair and speedy trial, but again, it was not followed through.

These cases indicate that Breckenridge was weak in cases involving civil rights or the defense of basic freedoms. Further, in regard to the Church of Scientology, Breckenridge's many years in the L.A. Court system meant he was familiar with court cases involving members of the former Guardian's Office of the Church. This office had been an autonomous organization charged with responsibility for public relations, investigative and legal matters. It was disbanded by Church management and no longer exists.

In his decision, Breckenridge referred to the Guardian's Office (GO) and showed that he had confused the GO with the Church of Scientology. He failed to realize that it is current Church management which abolished the GO and restructured the external-facing activities of the Church from scratch. By the time the Armstrong case went to trial, current management of the Church had already taken decisive steps to ensure that a repetition of the incidents that led to the imprisonment of eleven GO members would never occur again.

Ignorant of these facts, Breckenridge assumed that the Guardian's Office and the Church were one and the same. This misperception made him an easy target for Armstrong, who adopted the deliberate tactic of exploiting the judge's faulty perception of the Church.

In an interview that he gave to the Rocky Mountain News in February 1983, Mr. Hubbard made clear that the GO actions which led to indictments were totally against the policies of the Church. He said, "I learned about it [the case] like everyone else -- after the fact -- and could only shake my head in dismay... Whatever they did, if they did it, was in violation of any policy I ever wrote while Executive Director, years ago, and I think all those people have been removed, as I understand that there is an entirely new hierarchy in the Church."

In actual fact, Scientologists do charitable work, thousands are active in remedying drug abuse, crime and illiteracy and nearly all are active in some way to improve their community. These facts about the Church never came to Breckenridge's notice.

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

[Scientology] under the pretext of 'freeing humans' is nothing in reality but a vast enterprise to extract the maximum amount of money from its adepts.

TRUE INFORMATION:

The Church of Scientology is not a money-making enterprise; it is, as numerous courts have affirmed, a religion. In country after country, courts have exhaustively examined the philosophy and practice of Scientology and upheld its religious bona fides.

A landmark recognition which upheld the religious nature of Scientology was issued from the United States Court of Appeals in 1969. The court ruled, "the Founding Church of Scientology has made out a prima facie case that it is a bona fide religion.... a prima facie case exists that auditing [counseling] is a practice of Scientology, and that accounts of auditing integrated into the general theory of Scientology are religious doctrines." Section 9

In affirming Scientology's status as a religion, the U.S. District Court for the District of Columbia stressed equal treatment for religions under the Constitution. In 1983, the court stated that "the Church of Scientology must be treated the same as any established religion or denominational sect within the United States, Catholic, Protestant or other."

In 1985, in the Superior Court of California, Judge Norman L. Epstein emphasised that the Church's religious nature was not open to question. "The supporting documents for the proposition that Scientology is a religion do more than make a prima facie case; they make a strong case," Epstein ruled.

Many of these recognitions are reproduced in a booklet published by the Church, entitled Winning! Victories of the Church of Scientology. Section 10

Since the mid-1970s 14 Scientology Churches have been recognized as Churches and as tax-exempt religious organizations by the Internal Revenue Service.

In countries outside the United States, Scientology has also achieved recognition as a religion from numerous courts, including the High Court of Australia. In 1983, five judges of the High Court found unanimously that "The conclusion that [Scientology] is a religious institution entitled to tax exemption is irresistible." Section 11

Again and again, Court findings have stressed that the income received by the Church is used for no other purpose than to further the religious aims of Scientology.

On 12 October 1988, the Administrative Court in Berlin ruled that there was no evidence that income received by the Church went to private individuals. The court found that, "Plaintiff [the Church] showed that the gained income is used for the religious and philosophical

activities of the associations in Germany and also in other countries...." Section 12

On 30 January 1985, the District Court of Stuttgart, Germany had issued a clear-cut ruling which made the same point:

"The court has no indication that the assumption that books available for purchase, brochures or other study and information materials would not serve this religious purpose; the same is valid for the course seminars and auditing being subject to a contribution fee, all of which -- according to the self-understanding of the concerned and his church -- constitute direct religious actions and customs, and immediately serve a religious purpose or are directly religiously motivated." Section 13

On 19 September 1990, the District Court of Hanover repeated that funds collected by the Church were used solely to further the religious activities of Scientology.

In Italy, the Church has also been found qualified for tax-exemption on the basis of its being a religious not a commercial activity.

The following are some examples:

On 27 March 1990, the Tax Commission in Monza ruled that, "It is the opinion of this Commission that the nature of the activities carried out by plaintiff are apparently aimed at the dissemination of doctrinal and religious principles, and certainly not of a commercial nature." Section 14

On 20 September 1990, the Tax Commission in Torino stated that "the religious nature of Scientology is to be taken as ascertained."

"The fees given by believers for the services received and the contributions paid by them in order to receive services and various materials, doesn't change the essential nature of the services..." Section 15

On 25 November 1991, the First Tax Court of Como stated, "There remains no doubt as to the transactions under discussion being non-commercial in nature, thus tax-exempt." Section 16

Finally, on 2 July 1991, the Milano Appeals Court reiterated that the delivery of books and services by the Church in exchange for a fee is not a commercial activity and not subject to taxes.

A study of the financial intake of various religions found remuneration for local leaders of the Church of Scientology was 2.5% of the Church's gross intake but for staff and ministers of the Roman Catholic, Lutheran and Reformed (United) Churches remuneration amounted to 26.7%, 30.8% and 40.1% respectively.

The above statements and decisions, and many others, make plain that Scientology is a religion and that the Church of Scientology is organized for one purpose only: to disseminate the religious philosophy of Scientology to the people of Earth.

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

The organization clearly is schizophrenic and paranoid.

TRUE INFORMATION:

This statement is completely absurd. Scientology, in its 42 years, has expanded to over 1,100 churches, missions and other groups throughout the world. That expansion is built on a solid record of helping people lead happier, better lives.

The Reverend Dean M. Kelley, Counselor on Religious Liberty for the National Council of Churches, has written that he has befriended "a number of Scientologists -- some high in the organization -- over the years.... I have found them to be earnest, enterprising, public-spirited and committed people...."

The Church of Scientology is also active in making improvements in the community; Scientologists are out there, involved, visible and effective.

The Church helped to create a safe environment during the riots in LA, when Scientologists surrounded an entire city block at Hollywood and Vine and earned the gratitude of neighbors for protecting their property. No weapons were carried by the Scientologists who formed this protective cordon. Yet the measure was effective. The Times of London noted that during the worst day of the riots, the city block guarded by Scientologists was one of the very few in Hollywood Boulevard where no business was torched or looted. Section 17

The Church also takes part in programs to assist the less fortunate. For many years the Church of Scientology in Los Angeles has worked with the Department of Children's Services of Los Angeles County to provide toys and Christmas holiday entertainment for foster children under the Department's care. These children are, most commonly, from broken families or are victims of abuse. The contributions made by Scientologists have resulted in many commendations from the Department.

In 1991-1992, numerous proclamations and expressions of support for the Church and its social reform campaigns have come in from mayors, politicians, law enforcement officers, artists and community leaders in the U.S., Canada, Britain, Italy, Australia, Mexico, Germany, France and many other countries.

The Church enjoys a high profile. In 1991, it completed the largest outreach campaign in its history, involving a series of full-page color ads placed in USA Today. These ads began in June and continued appearing every weekday, and later, every second weekday, continuously

until October. The advertisements covered major areas where Scientologists are active, including the reform of the press and the exposure of psychiatric drugs and human rights abuses. Follow-up ads expounded on the religion of Scientology itself, including its beliefs, practices, and the personal testimonies and photographs of some of its members. Section 18

The Church concluded the series of ads with a public information campaign on the Internal Revenue Service which inspired more than 14,000 supportive letters and phone calls from readers of USA Today.

This campaign aroused intense media interest and established the Church of Scientology as one of the most powerful social reform groups in the world.

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

The evidence portrays a man [LRH] who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile.

TRUE INFORMATION:

Breckenridge based his comments on allegations made by Armstrong concerning Mr. Hubbard's past. Yet, Armstrong's incompetence as a researcher is well documented. Ironically, it was Armstrong's lack of research into the various facts and incidents regarding Mr. Hubbard's life that led him to his false claims.

In the court transcripts, Armstrong admitted to his own incompetence as a researcher.

While being cross-examined concerning his "research" regarding L. Ron Hubbard's career as an officer in the Navy during World War II, Armstrong stated the following about himself:

1. He was never trained in how to research a biography.
2. He never searched out and obtained official documents from any agency of the United States government.
3. He was not aware that there was an agency of the United States Navy that kept records of ships.
4. He never attempted to find out what data the Naval Historical Center had on the subchaser 815, the ship under the command of L. Ron Hubbard during World War II.
5. Armstrong concluded that Hubbard was not a Commander of a squadron of Corvettes

as he did not do the necessary research to locate the documents in Navy files which established that Hubbard was in command of a squadron of Corvettes (English term for subchaser). Armstrong was not even aware that the initials SC stood for Submarine Chaser.

When questioned during the trial on evidence substantiating Mr. Hubbard's combat record, Armstrong admitted that he merely "went through some books on the subject. But that was it. I never went to D.C. And I obviously never checked the sources that whoever did this research was able to check. So I stand corrected." Section 19

Armstrong also challenged Mr. Hubbard's claim that he (Mr. Hubbard) had been made a blood brother of the Blackfeet Indian tribe. Yet just recently that nation celebrated Mr. Hubbard's 70th anniversary as a blood brother.

A reliable account of Mr. Hubbard's career in the Navy is given by L. Fletcher Prouty, former senior US intelligence officer with the Pentagon.

Mr. Prouty, who joined the Army just a month before Mr. Hubbard joined the Navy, is experienced in reading and understanding military and intelligence records. There is an intelligence process called "sheep dipping," wherein additional or cover files are created which mask the true activities of the intelligence operative. Mr. Prouty's knowledge is based on firsthand experience in creating such files.

His analysis of Mr. Hubbard's files shows that there are at least two and more likely three separate and different files in existence: a "false" file created by the Navy; a personnel file; and a file which contains Mr. Hubbard's true activities as an intelligence officer. It is this last file which appears missing and therefore there is an incomplete record of Mr. Hubbard's career.

Detailed examples are provided in Mr. Prouty's affidavit. Section 20

Regarding Mr. Hubbard's medical history, Mr. Prouty points out that Mr. Hubbard's Notice of Separation paper indicates he was awarded the Purple Heart twice. The Purple Heart is awarded only to those wounded in action.

Another document from the US Naval Hospital in Oakland covers Mr. Hubbard's condition following the war:

"Eyesight very poor..." "Lame in right hip from service connected injury. Infection in bone... all service connected."

In sum, Mr. Hubbard's past is exactly what he stated it is and Breckenridge was completely misled by Armstrong's false claims.

Mr. Hubbard's achievements completely belie Armstrong's allegations and

Breckenridge's forwarding of them. Through hundreds of books and literally thousands of articles and lectures, L. Ron Hubbard communicated and taught the methods which today are used by millions to improve their own lives and the lives of those around them. His career spans more than 50 years during which he produced over 530 published works which have sold more than 100 million copies in more than two dozen languages. In developing the religious philosophy of Scientology, he delivered and recorded over 6,000 lectures. In country after country, he has received wide acclaim for his accomplishments in bettering mankind.

Of the more than 2,400 awards, recognitions, plaques, proclamations and letters of recognition L. Ron Hubbard has received for his writings and humanitarian work, the following are most notable:

The Saturn Award for Battlefield Earth awarded by the Academy of Science Fiction, Fantasy & Horror Films.

The Tetradrama D'Oro Award, a cultural award in Italy, awarded to L. Ron Hubbard as a world-renowned author contributing to the culture and peace of Earth.

In 1988 a plaque was awarded to L. Ron Hubbard by Publishers Weekly to applaud him for the release of his international bestseller in paperback, Mission Earth [Vol 1], considered a masterwork.

In the same year, The Publishers Weekly Century Award was conferred upon L. Ron Hubbard. It was awarded to commemorate the appearance of Dianetics on the Publishers Weekly bestseller list for 100 consecutive weeks.

The Sol de Oro (Golden Sun) award for Dianetics from the National Association of Journalists in Mexico City. This award is given to personalities with outstanding achievements in the fields of communication, art and culture.

The Golden Laurel for Human Sciences award, given to L. Ron Hubbard as a man of literature, an author and a humanitarian. Awarded for contributions to the betterment of the French Culture and its Community.

The Cosmos 2000 award, a French science fiction prize, awarded in 1989.

The Nova science fiction award. The Nova SF award was granted to L. Ron Hubbard posthumously for his contribution to Italian science fiction. L. Ron Hubbard is the only non-Italian writer awarded.

The Rosette (Golden Tie) award is presented once a year for outstanding achievement in the field of the arts by the French National Federation for Culture. The Golden Tie was awarded to L. Ron Hubbard as a writer for a lifetime of work in the enhancement of culture.

The Gold Medal from the Academy of Arts, Sciences and Letters in France was awarded to L. Ron Hubbard in 1990 for all his literary works and achievements. This committee was formed in 1915 as an academical society for education and enlightenment under the patronship of the famous French Academy, the most important literary institution in France.

This medal is given to the highest personalities in the fields of arts, sciences, literature and aviation.

In 1992, the prestigious State University of Moscow conferred a posthumous doctorate of literature upon Mr. Hubbard. Section 21

FALSEHOOD IN FINDINGS BY JUDGE BRECKENRIDGE:

The practice of culling supposedly confidential [counseling folders or files] to obtain information for purposes of intimidation and/or harassment is repugnant and outrageous.

TRUE INFORMATION:

This practice is not part of Scientology religious counseling. The Auditors Code, which binds all auditors and is the senior policy concerning Scientology counseling, places an obligation on the auditor to maintain strict confidentiality on all information divulged during auditing. Such information is protected by priest-penitent privilege.

In his decision, Breckenridge referred to a Guardian's Office policy letter written by Mary Sue Hubbard which had allegedly authorized the practice of culling information from counseling folders. Any such directive is not part of the Scientology scriptures and was long ago canceled.

As mentioned above, the Guardian's Office was disbanded by current Church management when it was found to have veered wildly off Church policies as laid down by Mr. Hubbard.

In May 1992, Mr. David Miscavige, chairman of the board of the Religious Technology Center which has final responsibility for ensuring the purity of application of Scientology, testified that he had personally removed Mary Sue Hubbard from her position at the head of the Guardian's Office. Following her removal, Mr. Miscavige and other senior Church officials restructured the external-facing activities of the Church from scratch and incorporated them within the overall management structure of Scientology. Section 22

oOo

1 affiliated in any corporate capacity with the plaintiff, Church
2 of Scientology International ("CSI"). I make this declaration
3 for several reasons. First, until January 4, 1994, the date on
4 which I was informed that my deposition had been ordered in this
5 case by Magistrate Judge Tassopoulos, I had no idea that I would
6 be required to testify in this case. I was never served with any
7 subpoena for such testimony, I have never had any contact
8 whatsoever with either defendant, and I had nothing whatsoever to
9 do with this case until now. In fact, it was not until January 6,
10 1994, after my deposition had been ordered, that I first read the
11 outrageous papers filed by Geertz's counsel when he sought to
12 have my deposition ordered. Second, upon reading those papers,
13 I discovered that Geertz's counsel made arguments to the
14 Magistrate Judge that gave her the absolutely false impression
15 that I was evading service of subpoena. It caused me great
16 concern to learn that the Magistrate Judge had asked, "Why has
17 Mr. Miscavige avoided service?" I did no such thing, and were it
18 not for the baseless allegations which Geertz's counsel
19 proffered, I believe the Magistrate Judge would instead have
20 asked Geertz's counsel, "Has Mr. Miscavige been served?" The
21 truthful answer to that question is "No." Third, my lawyers'
22 efforts to arrange for my deposition to be taken have been
23 rebuffed by Geertz's counsel, who, at the same time, is
24 threatening to move for a contempt citation against me for not
25 appearing at a deposition he has refused to schedule. It is
26 inconceivable to me that Geertz's counsel can seriously contend
27 that I am to blame for a deposition not going forward when he has
28 refused to depose me. Finally, in the course of these

1 proceedings, Geertz's counsel, Robert Vaughn Young and Stacy
2 Young have made a number of allegations about me and about the
3 Scientology religion which require a response, so there can be no
4 doubt that those allegations are false.

5 3. I have read the vile declarations filed by Vaughn and
6 Stacy Young in this case. It is clear to me that the false
7 allegations they have filed have been offered solely for the
8 purpose of making me the centerpiece of this litigation, and that
9 their motivation is to forward a litigation tactic of harassment
10 to the point of a hoped-for default by the only laintiff to this
11 action, CSI. The foregoing is based on the falsity of the claims
12 they have made, my personal knowledge that both of these
13 individuals are not qualified to testify to the matters they have
14 addressed by declaration, and because I have seen the same
15 litigation tactics used before in instances where Vaughn Young
16 would have learned this "technique." Therefore, this declaration
17 is submitted to demonstrate that I have no knowledge of the
18 defendants in this case, to set the record straight concerning
19 the false allegations of Vaughn and Stacy Young, and to comply as
20 fully with the court order concerning my deposition as Geertz's
21 counsel's actions permit, since Geertz's counsel has declined all
22 opportunities to do so. I also submit this declaration because I
23 feel the Court has been poisoned into believing that I have had
24 some role in this litigation by the statements of the Youngs and
25 counsel for Geertz, to which I have neither responded nor even
26 had the opportunity to respond.

1 BACKGROUND

2 4. I have been a practicing member of the Scientology
3 religion since 1971. In 1976, I joined staff of the Church of
4 Scientology of California (and the Sea Organization -- the
5 Scientology religious order). During my tenure in this
6 corporation, I held many positions. In 1977, I had the
7 opportunity to work directly with L. Ron Hubbard in many
8 different capacities. In 1978, Mr. Hubbard was engaged in the
9 production of Scientology films which had the purpose of training
10 Scientology counsellors (called "auditors") in the practice of
11 Scientology. During this time I was the Chief Cameraman. Later,
12 I worked directly with Mr. Hubbard as a member of the Commodore's
13 Messenger Organization ("CMO"), which duties consisted of
14 assisting Mr. Hubbard in whatever activities he was engaged in.
15 The functions are best described as an assistant. Later, when
16 Mr. Hubbard went into seclusion to continue his researches on
17 Dianetics and Scientology, and to engage in his own writings, I
18 became part of a newly formed CMO organization, CMO
19 International.

20 5. CMO International's role was to see that the
21 management of the Church operated in accordance with Scientology
22 policy and technology. The title of my position was Action
23 Chief. In short, this post was responsible for missionary
24 activities of the Church, where personnel from the Mother Church
25 would travel to different parts of the world to see to the proper
26 operation of various Church activities and to take corrective
27 action where necessary. The types of missions I generally
28 supervised were those that saw to the correct functioning of the

1 Church management and the correction thereof.

2 6. From the beginning of 1982 until March of 1987, I was
3 Chief Executive Officer and later Chairman of the Board of Author
4 Services, Inc. ("ASI"), a California corporation which managed
5 the personal, business, and literary affairs of L. Ron Hubbard.
6 Later in this declaration, I describe how I came to that
7 position.

8 7. Since March of 1987, I have been Chairman of the Board
9 of Religious Technology Center ("RTC"), a California non-profit
10 religious corporation recognized as tax exempt under Section
11 501(c)(3) of the Internal Revenue Code. RTC is not part of
12 Church management, nor is it involved in the daily affairs of
13 various Church of Scientology organizations or missions. RTC
14 ensures that the trademarks of Dianetics and Scientology, and the
15 technology they represent, are properly used around the world.
16 It exists to see that Dianetics and Scientology technology is
17 safeguarded, is in good hands, and is properly used.

18 8. RTC was formed with the specific purpose of seeing that
19 the religion of Scientology was kept pure and true to the source
20 materials of the religion. In fact, a major reason for its
21 formation was to have such a Church organization that performed
22 these functions in a capacity entirely separate from the actual
23 management of the various Churches and Missions of Scientology.
24 Not only is RTC not involved in the management of the
25 international hierarchy of Scientology churches, but its very
26 existence and performance of its true functions depends on the
27 fact that it is NOT part of Church management. The authority of
28 the Religious Technology Center stems from the ownership of the

1 trademarks of Dianetics and Scientology. In brief, RTC's
2 maintenance of these trademarks is threefold: A) ensuring that
3 when something is represented as Dianetics or Scientology, that
4 it actually is; B) seeing that any organization representing
5 itself as Dianetics or Scientology (and using those names), while
6 actually being something entirely different, is prevented from
7 doing so; and C) seeing that anyone offering Scientology, but
8 calling it something else (a name other than Dianetics or
9 Scientology) is prevented from doing so. I could give various
10 such examples where actions listed in B) and C) have actually
11 occurred, although it is not necessary here. Suffice it to say
12 that when such has occurred, RTC has acted, with litigation when
13 necessary, and has been able to uphold the proper use of the
14 marks in every instance.

15 9. As Chairman of the Board, the most senior position in
16 RTC, I am uniquely interested in the standard application of the
17 Scripture of Scientology as detailed in Hubbard Communications
18 Office Policy Letters (HCO PLs) and Hubbard Communications Office
19 Bulletins (HCOBs) and the spoken words of Mr. Hubbard on the
20 subjects of Dianetics and Scientology as recorded on audio tape,
21 video, film and, in some cases, written transcriptions of these
22 materials. I inspect and correct departures from the standard
23 application of the Scripture of the religion. I also ensure that
24 any attempted perversion of the technology of Dianetics and
25 Scientology is rapidly dealt with, to keep the religion pure so
26 that all people may benefit from the application of Mr. Hubbard's
27 breakthroughs in the fields of the mind, the spirit and life.

28 10. In the course of my duties I travel widely. I often

1 appear at Church events and briefings which serve to keep
2 Scientologists around the world aware of the widespread
3 application of Mr. Hubbard's writings. In all such appearances,
4 my position as Chairman of the Board of RTC is known, as is its
5 distinction from actual Church management officials of CSI. I
6 also oversee the affairs of the Religious Technology Center in
7 its function of verifying that the source writings of the
8 religion are kept pure. This specifically includes the
9 verification that the materials representing themselves as being
10 Dianetics and Scientology are in fact that, and that they
11 honestly reflect the source writings of the religion by L. Ron
12 Hubbard. I also oversee RTC's function of assuring that the
13 trademarks of Dianetics and Scientology are legally registered
14 and kept current in over 190 countries around the world.

15 11. Neither RTC nor I has any corporate authority over any
16 Scientology church, including CSI. CSI is the Mother Church of
17 the Scientology religion and has been since its inception in
18 1981. As such, CSI is responsible for the activities
19 commensurate with such a role, including the ecclesiastical
20 management of Churches, dissemination and propagation of the
21 faith and defense of its activities, including external and legal
22 affairs. All of the foregoing facts were submitted to and
23 thoroughly reviewed by the Internal Revenue Service prior to the
24 recent recognition of the tax-exempt status of CSI, RTC and a
25 host of other Church corporations and entities.

26
27 FAILURE TO SERVE SUBPOENA

28 12. Apparently Geertz's counsel made some attempts to serve

1 me with a deposition subpoena in Los Angeles in December of 1993,
2 when I was away from California on business in the United Kingdom
3 and Washington, D.C. I keep a busy schedule that requires
4 extensive travel in the course of handling a wide range of
5 ecclesiastical duties, and my schedule has nothing to do with the
6 presence or absence of process servers. In January, I was away
7 on business in Clearwater, Florida and Washington, D.C. In
8 Washington, I met with the head of Interpol, Raymond Kendall, on
9 one of the days that Geertz's counsel unilaterally set for my
10 deposition. This meeting had been arranged for more than a month
11 and since this individual was travelling all the way from
12 Interpol headquarters in Europe, it was hardly something I could
13 cancel. During that same week, and on another day arbitrarily set
14 for my deposition, I met with IRS officials in a similarly pre-
15 arranged meeting. In fact, I was only home for approximately 25
16 days in all of 1993. I was simply not in the State of California
17 during the entire time in which service attempts on me were
18 apparently being made. I understand this fact was made known to
19 the Magistrate Judge in this case and later to the Court. To
20 this day, I have never received a subpoena in this case.

21 13. Any suggestion that I try to avoid giving testimony is
22 just false. In May of 1992, I testified at a legal proceeding in
23 Toronto, Canada, although there was no legal means to compel my
24 testimony. I testified for four full days in the summer of 1993
25 in Church of Scientology International v. Eli Lilly, et al., a
26 case pending in federal court in Washington, D.C. There are over
27 1100 pages of deposition transcript that comprise that
28 deposition, with very little in the way of objections or

1 colloquy. I did so because I knew my testimony was needed and
2 relevant. In 1990, I was deposed for two full days in Bent
3 Corydon v. Church of Scientology International. In that
4 instance, I was "rewarded" for appearing by having plaintiff's
5 counsel serve me with various subpoenas in other disrelated
6 matters. In both Lilly and Corydon, the opposition first
7 attempted to notice my deposition while concurrently arguing that
8 I would "refuse to appear." In each instance I was forced to
9 refute such nonsense and in fact did appear. To claim that I
10 evade service or avoid being deposed or otherwise avoid giving
11 testimony is nonsense on its face.

12 14. I want the Court to be aware that upon learning that my
13 deposition had been ordered by the Magistrate Judge on January 4,
14 1994 and upon reading the allegations that apparently led to
15 that order, which I first read on January 6, 1994, I consulted
16 with my counsel in this matter, who advised that I seek the
17 Court's review of the Magistrate Judge's order concerning my
18 deposition. At the same time, I also instructed my counsel that
19 in spite of the fact that I had no knowledge of the issues raised
20 in this case, and in spite of the lack of any service of a
21 subpoena on me, and in spite of the fact, as noted above, I was
22 to be out of town for much of January, counsel should try to make
23 arrangements for my deposition to be taken, should the Court not
24 reverse the Magistrate Judge's order. Efforts to make such
25 arrangements commenced on January 10, 1994 and continued through
26 February 4, 1994. I am informed that Geertz's counsel was not
27 willing to discuss a mutually acceptable date for my testimony,
28 particularly at the end of that period, when Geertz's counsel

1 declined even to propose a date for my deposition. In the
2 meantime, while refusing to depose me, he threatens me with
3 contempt for not having been deposed. I am convinced that this
4 entire tactic of attempting to bring me into a case where my only
5 involvement stems from this pursuit of my testimony, is for the
6 purpose of harassment and to forward a litigation tactic of
7 avoiding litigation of the actual case by use of abusive and
8 irrelevant discovery tactics.

9 15. As a result, I feel I should make whatever effort I
10 can to set the record straight on many of the false and
11 inflammatory allegations that have been injected into this case.
12 Therefore, I am using this written declaration to inform the
13 Court of what my testimony would have been. I also am making my
14 testimony available, because of my great concern that my name has
15 been attacked in such a way that the Court has made rulings
16 regarding my appearance based entirely on falsehoods presented by
17 Geertz's counsel and Vaughn and Stacy Young.

18
19 NO KNOWLEDGE OF DEFENDANTS

20 16. I first heard the name Steven Fishman in the summer of
21 1990, when it was brought to my attention that someone by that
22 name had been sentenced to prison for mail fraud and obstruction
23 of justice and that in the course of being sentenced, he had
24 referred to me by name and it had been alleged that illegal acts
25 he had committed were as a result of Fishman being "implanted"
26 and caused pain by inserting BIC pens in his penis and forcing
27 him to smell human feces. As I had never heard of Fishman and
28 because the allegations were such tabloid rot, I assumed this was

1 some new form of "insanity defense" and that Fishman had picked
2 my name out of the press or something. I never thought about the
3 matter again, until 1991, when I read the 8 page cover story in
4 Time Magazine concerning CSI in the May 6, 1991 edition. At no
5 time, either before or since I read their names in that magazine,
6 have I met with, spoken to, communicated with or otherwise had
7 any contact or communication of any kind with either Geertz or
8 Fishman. It was when I read that article that I first heard the
9 name Uwe Geertz.

10 17. Geertz has submitted copies of purported correspondence
11 from defendant Steven Fishman to Church members making reference
12 to me as a participant in Fishman's mail fraud crimes. These
13 references to me are pure fiction. Indeed, I have been informed
14 that CSI has filed with the Court an unrebutted declaration of a
15 typewriter expert who concluded that these letters could not have
16 been created on the dates claimed by Fishman.

17 18. Other than the falsified documents of a convicted
18 felon, the defendants have identified no other "evidence" that I
19 even knew Fishman, much less ordered or condoned crimes for which
20 he was imprisoned. Instead, Geertz has submitted two vicious
21 declarations, from Vaughn and Stacy Young, which attack and
22 vilify me personally without reference to any issue in this case.
23 Most significantly, neither of the Youngs ever suggests that they
24 ever heard me or any other senior official in the Scientology
25 religion mention Steven Fishman or Uwe Geertz in their presence.
26 At no time does either one even suggest that they know anything
27 that connects me to any issue in this case. The reason they have
28 failed to do so is clear: they have no such evidence of my

1 involvement with Fishman or Geertz because no such evidence
2 exists.

3 19. Exemplifying the unsupportable, irrelevant and
4 malicious nature of Vaughn Young's personal assault on me is his
5 false and repugnant insinuation that I was involved with the
6 death of my mother-in-law, Mary Florence Barnett. Not only is
7 there no evidence to support this claim by Young, but there is
8 clear evidence to the contrary. With the reports of the coroner
9 and the medical examiner's investigator, and with the deposition
10 of the medical examiner taken by Geertz's counsel at hand -- all
11 to the unanimous, unequivocal conclusion that Ms. Barnett died
12 from self-inflicted gunshots -- Young has the temerity to suggest
13 that I should be investigated to determine what he calls my role
14 in that tragic suicide. With complete disdain for the facts and
15 no regard whatsoever for any sense of decency, Young has taken a
16 personal tragedy in my family's life, the suicide of my
17 mother-in-law, and attempted to make this an issue in this
18 lawsuit by twisting it to imply non-existent wrongdoing on my
19 part. I not only had nothing to do with this tragic incident,
20 but Vaughn Young's gratuitous embellishment that I ordered the
21 matter "hushed up" is equally false. My only association with
22 this tragedy was to console my wife who was understandably
23 emotionally traumatized and grief stricken. Vaughn Young's
24 effort to exploit this tragedy is malicious in and of itself, but
25 his innuendo and attempts to recast the incident, despite the
26 uncontroverted evidence as to the true cause of Ms. Barnett's
27 death, show the depths to which he is willing to sink.

28 20. At this point, I have stated all I know of Steve

1 Fishman and Uwe Geertz and anything that could possibly be
2 relevant to this case. However, Vaughn and Stacy Young have
3 taken it upon themselves to introduce into this case their
4 version of my history with the Church. I cannot understand the
5 relevance of this under any circumstances, but since counsel has
6 now refused to take my deposition while concurrently levelling
7 threats, I feel I am forced to give a brief history of what
8 actually occurred to be in compliance with the Court's order if
9 such is considered relevant, and to show in proper context how
10 Vaughn and Stacy Young are simply incapable of competently
11 testifying to events they have "described" in their declarations.
12

13 HISTORY OF FALSE ALLEGATIONS

14 21. False allegations leveled against me in the context of
15 litigation or in the media are nothing new. I raise this point
16 only so that the Court will understand that the sort of
17 scurrilous personal attack on me launched by Geertz's counsel and
18 Vaughn Young is the latest in a pattern of such attacks in
19 litigation over the years. I recognize that it is not uncommon
20 for leaders of organizations and movements to be subjected to
21 such attacks. I can only assume that I am attacked because I am
22 visible as the ecclesiastical leader of the Scientology religion.
23 I note that I am the ecclesiastical leader of the religion, not
24 the Church. The mischaracterization of my role made by the
25 editors of Premiere magazine in an editorial note cannot convert
26 me from the leader of the religion to the head of the Church.
27 Neither can the imprecise use of language by Ted Koppel on ABC's
28 Nightline Show. Both of those erroneous designations are

1 examples of the media not understanding the nature of what I do
2 or the nature of my relationship to the Church. In the case of
3 Premiere, the same article that contained the erroneous statement
4 by the editors, also contained a photo caption which I did
5 compose and which did correctly identify my position as "David
6 Miscavige, Chairman of the Board of Religious Technology Center,
7 Holder of the Trademarks of Dianetics and Scientology." On
8 "Nightline," I was sitting on live, nationwide TV, engaged in
9 rebutting a set up video for the show, containing 15 minutes of
10 false and outrageous charges about Scientology and did not deem
11 it important to pause from correcting those false charges so I
12 could educate Mr. Koppel on matters of corporate structure.

13 22. My name has now been dragged through the mud in this
14 litigation, not only by means of a mean-spirited personal attack,
15 but also as part of what appears to be a tactic of hurling false
16 and irrelevant allegations against Church of Scientology
17 International, the Scientology religion and its Founder. It is
18 unfortunate that I am now put in the position of defending my
19 reputation and refuting lies about my religion that have become
20 part of the record in this case. In that regard, I must note
21 that in reviewing the sordid and outrageous allegations made
22 about me by Geertz's counsel and Mr. Young, I was struck by their
23 technique of using vague, innuendo-filled vignettes and
24 unsubstantiated rumors in an effort to sound authoritative. I
25 was also struck by the way that their declarations attempt to
26 portray normal things as abnormal. I can only submit that trying
27 to make the usual seem strange and trying to color events by
28 innuendo are the tools by which bigotry is crafted and prejudice

1 is spread.

2 23. The personal attacks on me, as well as many other
3 irrelevant and malicious falsehoods that have been brought in
4 this case, have largely been introduced through declarations of
5 Robert Vaughn Young and Stacy Young and forwarded by Geertz's
6 lawyer, Graham Berry. The Youngs left Scientology almost five
7 years ago, have no personal knowledge of the current activities
8 of RTC, CSI, or any other part of Scientology and, by their own
9 admission, have no personal knowledge of the defendants in this
10 case. Neither Vaughn nor Stacy Young ever worked with me or even
11 near me during the entire time I have been employed by RTC. They
12 couldn't possibly testify to any of my activities as RTC's
13 Chairman of the Board since 1987 because they simply were in no
14 position even to observe such activities. They are not experts
15 on anything relating to Scientology, but have apparently been
16 hired to file inflammatory declarations on non-issues in this
17 suit. The Youngs are, however, generally aware of the fact that,
18 through the years, attempts to malign me personally and create a
19 false picture of the Church with sensational allegations have
20 been the stock-in-trade of litigants opposing the Church and the
21 former Scientologists upon whom counsel rely to swear to matters
22 they do not know and to make false allegations for which they
23 have no basis. I believe that the Youngs' awareness of that
24 litigation ploy explains their involvement in this case and
25 defines the role they are playing.

26 24. For example, part of Vaughn Young's attack is his
27 complete mischaracterization of my role in the dismantling and
28 permanent disbanding of the Guardian's Office ("GO"). The

Guardian's Office and the fallout that resulted from it is particularly significant as it is the linchpin of a litigation tactic that has been employed for years against me and the Church. Vaughn Young is simply revisiting the same path trod by others before, but as this has now been injected into the case I feel it important to address this matter, even if necessarily briefly.

25. Young would have the Court believe that I was an opportunist, using the jailing of Mary Sue Hubbard as a means of taking control of the GO, while leaving its criminally tainted substance unchanged and operating under a different name. This is a complete perversion of the true events, as set forth below. I would not have expected Young to know all of the details of how I directed the disbanding of the GO and the permanent expulsion of its leaders and other wrongdoers, as he was in a low level position in the GO at the time. However, he knows that when the staff of other Church units completely took over the GO offices and put an end to it as an organization, literally hundreds of his fellow GO staff members were dismissed, expelled from the religion, and forever barred from ever holding any position in any Church organization again.

DISBAND OF THE GUARDIAN OFFICE

26. To understand the magnitude of this upheaval, a description of the history, power and authority of the GO is vital. The GO was established in March of 1966 because legal and other external facing matters were consuming the time and resources of Churches of Scientology. In particular, Church

1 leaders were being distracted from their primary functions of
2 ministering to the spiritual needs of their expanding religious
3 communities and building their organizations. During the 1970s
4 the GO operated as an entirely autonomous organization unchecked
5 and unsupervised by the ecclesiastical management of the Church.
6 The power of the GO was absolute. Unless a member of the GO, one
7 could not even enter their locked offices. They held all
8 corporate directorships. They and they alone dealt with legal
9 affairs of the Church. The GO operated in complete secrecy, and
10 conducted its affairs independently of the Church and its
11 management and personnel. Any attempt to find out their affairs,
12 by Church ecclesiastical staff or any Scientologist, was met with
13 the same "treatment" they handed out to others. For instance, GO
14 staff carried out illegal programs, such as the infiltration of
15 government offices for which eleven members of the GO were
16 prosecuted and convicted. There were also instances in which GO
17 staff used unscrupulous means to deal with people they perceived
18 as enemies of the Church -- means that were completely against
19 Scientology tenets and policy, not to mention the law.

20 27. In 1981, a Church investigation was begun into the
21 activities of the GO. That investigation was prompted by the
22 existence of a number of civil law suits which had been filed at
23 that time against Church of Scientology of California and Mr.
24 Hubbard, and which the GO was supposed to be responsible for
25 handling. Not only was the GO not handling these suits, the GO,
26 and particularly Mary Sue Hubbard, even refused to answer our
27 questions about the suits because they viewed themselves
28 answerable only to persons within the GO. My involvement in the

1 purge of the GO arose from my position at the time, Action Chief
2 CMO International. My duties included directing Church
3 missionaries conducting the investigation of the GO to determine
4 the reasons for the GO's ineffectiveness and why the GO had
5 departed from its original purpose.

6 28. Our attempts to get information were thwarted by Mary
7 Sue Hubbard. She informed us that she did not appreciate our
8 investigation of the GO and that if one were needed she would do
9 it. In March 1981 she cut all of our communication lines to the
10 GO, except through herself. It must be noted that Mary Sue
11 Hubbard believed her position as Controller and as the "Founder's
12 wife" to be unassailable and beyond reproach by anyone but Mr.
13 Hubbard -- who was not around at the time, a fact that she was
14 well aware of. This, plus her absolute control of the GO, made
15 it difficult for the Church missionaries to get anything done.

16 29. In April 1981, in an unprecedented move and without
17 Mary Sue Hubbard's knowledge, I sent a mission to the
18 headquarters of the GO in England -- GO World Wide ("GOWW") -- to
19 inspect the Legal Bureau under the guise that it had been
20 authorized by Mary Sue Hubbard. What the mission found confirmed
21 our worst suspicions.

22 30. We discovered that the GO had grossly mismanaged the
23 legal affairs with which it had been entrusted, and displayed a
24 disdain for the basic policies by which a Scientology
25 organization is supposed to be guided. Whatever else the GO was,
26 it was not Scientology, and it was not adhering to Scientology
27 policy. Moreover, the GO continued to withhold from Church
28 management the darkest of its secrets -- the criminal acts

1 committed by GO staff against the United States government and
2 others. We only learned of these crimes when we read copies of
3 GO documents attached as exhibits to court papers filed by
4 litigation adversaries. These documents had been removed by the
5 GO from its own files in order to continue to hide their
6 criminality from the Church. While the FBI had seized these
7 documents in their 1977 raid of the Church, the GO had obtained
8 an order sealing these materials from the public, including the
9 Church. During a short period, the Court had lifted its sealing
10 order and litigation adversaries obtained copies. And that is
11 why we were only able to start discovering these acts when filed
12 by the opposition in civil litigation.

13 31. When further investigation proved the documents to be
14 authentic, it was made clear that we had no choice but to
15 overthrow the GO and dismiss everyone who had violated Church
16 policy or the law. These activities ultimately led to a complete
17 disband of the GO. I gathered a couple of dozen of the most
18 proven Church executives from around the world and briefed them
19 on the criminal and other unethical conduct of the GO. Together,
20 we planned a series of missions to take over the GO, investigate
21 it and reform it thoroughly. On July 13, 1981, a matter of weeks
22 after we had uncovered what was going on, and with no advance
23 warning to the GO, a coordinated series of CMO missions were sent
24 out concurrently to take over the GO.

25 32. However, there were a number of obstacles to overcome
26 before the termination of the GO could be accomplished. Mary Sue
27 Hubbard was still asserting her authority over the GO from her
28 position as Controller. Contrary to Young's statements, she was

1 not in jail, but was still very much in control of the GO. At
2 the same time, Mary Sue Hubbard was covertly attempting to expand
3 her power through her friendship with and influence over Laurel
4 Sullivan, a Church staff member who was in charge of a project
5 she referred to as the "MCCS project" -- the purpose of which was
6 to "sort out" the corporate structure of Church of Scientology of
7 California.

8 33. Instead of addressing a sensible reorganization of that
9 Church, Sullivan and her GO supporters were making their own
10 plans to establish trusts and for-profit entities which would
11 have placed even greater corporate control of the Church in the
12 hands of Mary Sue Hubbard and other GO executives in a fashion
13 that would have assured the permanency of GO dominance and power.

14 34. Shortly before the purge of the Guardian's Office, I
15 discussed with Laurel Sullivan various illicit GO activities we
16 had already uncovered. Sullivan was aware of these activities.
17 Sullivan did not agree that the acts the GO had committed were
18 atrocious and that Mary Sue Hubbard and the rest of her criminal
19 group needed to be removed. She insisted that Mary Sue Hubbard
20 remain in power and that at all costs she and the Guardian's
21 Office should maintain total control of the organization
22 regardless of the criminal acts exposed by the government and
23 others, in which Sullivan felt the GO was completely justified in
24 committing.

25 35. Upon learning of Laurel Sullivan's alliance with the GO
26 and the plans to reorganize the Church under Mary Sue Hubbard and
27 her GO allies, I removed Sullivan from her position and disbanded
28 the MCCS project altogether. In fact, recently released

documents reveal that Laurel Sullivan -- who would later become an adverse witness against the Church and me -- long ago admitted to law enforcement officials that the corporate restructuring of the Church actually implemented, differed entirely from that envisioned in her MCCS project.

36. Contrary to Young's claims, Mary Sue Hubbard was removed from her post before she went to jail. I know, because I personally met with her and obtained her resignation. Vaughn Young was not present at that meeting nor was he present at any of the events described here. He does not and cannot know what occurred. I do. At first, Mary Sue Hubbard was not willing to resign. Eventually she did so. Mary Sue Hubbard and the GO, however, did not simply capitulate.

37. Within a day of Mary Sue Hubbard's resignation, senior GO officials secretly met with Mary Sue Hubbard and conspired to regain control of the GO. Mary Sue Hubbard signed a letter revoking her resignation and condemning the actions of the CMO. Scores of GO staff responded, locking the missionaries out of their premises and were intending to hire armed guards to bar access by me and the other Church officials who had ousted them. I then confronted the mutineers, and persuaded Mary Sue Hubbard to again resign, which ended the last vestige of GO resistance.

38. When it was decided that cleaning up and maintaining the Guardian's Office in any form was not workable and that it needed to be disbanded altogether, this was accomplished by a new series of CMO Int missions sent to GO offices around the world. The pattern of the missions was to remove all GO staff from their positions and put them on estates work and physical labor around

1 the church. Before being disbanded the GO's Finance Bureau had
2 monitored some aspects of the Church's finances, including the
3 production of and maintenance of accounts and financial records.
4 With the disbanding of the GO, this function was taken over by
5 the International Finance Network, where it remains. Public
6 relations activities were put under the direction and supervision
7 of the L. Ron Hubbard Personal Public Relations Officer
8 International and his staff. All GO social betterment functions
9 - drug rehabilitation, criminal rehabilitation and educational
10 reform, were taken over by a new organization known as Social
11 Coordination. Later this function was assumed by Association for
12 Better Living and Education ("ABLE"), recognized as a tax-exempt
13 organization by the IRS. To administer legal affairs, the Office
14 of Special Affairs ("OSA") was formed from a mixture of Sea Org
15 staff who had been on one or more of the missions that had
16 disbanded the GO, new staff recruited to work in the area and
17 some former GO staff who had survived investigation and scrutiny
18 and had undergone ethics clean-ups relating to their former
19 affiliation in the GO. Completely unlike the GO, the Office of
20 Special Affairs is not an autonomous group. OSA International is
21 part of the Flag Command Bureaux and the highest OSA management
22 position is that of CO OSA Int. The Watchdog Committee has a WDC
23 member, WDC OSA, whose sole job is to see that OSA Int
24 effectively performs its functions and operates according to
25 Church policy. Local OSA representatives, called Directors of
26 Special Affairs, are staff at their local church subject to the
27 supervision of the church's Executive Council.

28 39. To further ensure that the old GO influence was

1 completely terminated, all "Guardian Orders," the non-standard
2 issues which GO staff followed instead of Mr. Hubbard's policies,
3 were canceled. These numbered in the thousands. Today, none of
4 the individuals involved in the criminal activities of the
5 Guardian's Office are serving on the staff of any organization
6 within the Church hierarchy. During the years 1981 through 1983,
7 the Church kept a record of the names of individuals we found to
8 have been involved in illegal activities, who condoned them, or
9 who were in a position where they should have known and done
10 something to stop them. Any individuals who were found at that
11 time to be on staff were dismissed and informed never to apply
12 for re-employment. A list of names of ex-GO members either
13 involved in, condoning, or being in a position to stop criminal
14 acts is maintained by the International Justice Chief (IJC) at
15 Flag Bureaux. Church organizations are required to check with
16 IJC prior to hiring any ex-Guardian's Office staff member; that
17 means anybody who was ever employed by the GO, whether he was
18 involved in or cognizant of any criminal acts or not. The IJC
19 then checks the names against the list of those banned from staff
20 and informs the local Church organization whether it can hire the
21 individual or not. The Church has thus ensured that no
22 individuals involved in the criminal activities of the GO ever
23 serve on staff. Ironically, the lone exception, discussed below,
24 was created by Vicki Aznaran.

25 40. Vaughn Young displays his ignorance of the actual facts
26 concerning the dissolution of the GO, for this was no mere
27 "cosmetic alteration," as he so ridiculously asserts. In a police
28 interview, Laurel Sullivan, the GO ally and architect of the

1 stillborn MCCS project, characterized the purge of the GO as a
2 "blitzkrieg," in marked contrast to Vaughn Young's vastly
3 understated description. It was, in fact, a major, dramatic, and
4 permanent overhaul, with over 800 GO staff dismissed as
5 unqualified or because of their disagreements with Church
6 policies or because of their complicity in criminal conduct. It
7 required approximately 50 separate missions to purge the GO.
8 The posts of Guardian and Controller were abolished.

9 41. As a direct result of the GO corruption and its
10 ultimate overthrow, the Church embarked on a complete corporate
11 reorganization, in part to prevent such criminality from ever
12 occurring again and to make sure a "new GO" could never come
13 about. This is where CSI and RTC came into existence and the
14 reasons for their place in the Church hierarchy are clearly
15 stated in the Church of Scientology International reference book
16 What is Scientology?

17 NOVEMBER 1, 1981

18 The Church of Scientology International was founded,
19 signaling a new era of Scientology management. A
20 strong standardized corporate structure was required to
21 facilitate the rapid expansion of Scientology and
22 maintain high ethical standards in a widespread
23 international network of churches. This followed a
24 series of Sea Org inspections that discovered that the
25 Guardian's Office (which had been established in 1966
26 to protect the Church from external attacks and care
27 for its legal matters) had become entirely autonomous
28 and corrupt. The Guardian's Office had been

1 infiltrated by individuals antithetical to Scientology
2 and had become an organization that operated completely
3 apart from the day-to-day activities of the Church.

4 Their secret actions in violation of Church policy had
5 resulted in eleven members being jailed for obstruction
6 of justice. Sea Organization executives overthrew the
7 Guardian's Office and disbanded it. Part of the
8 measures taken to ensure a similar situation could
9 never recur was the formation of the Religious
10 Technology Center on 1 January 1982. L. Ron Hubbard
11 bestowed the trademarks of Scientology to RTC, whose
12 purpose is to safeguard the proper use of the marks and
13 ensure they remain in good hands and are properly used.

14 42. Vaughn Young calling the dismantling of the GO
15 "cosmetic" is the functional equivalent of someone referring to
16 World War II as a "tiff." He wasn't where the dismantling
17 occurred, he doesn't know what happened, and he has no clue.

18 43. It is important to point out how far from the actual
19 practice of Scientology the GO had departed and to point out the
20 reason that Young is attempting to trivialize the purge of the
21 GO. Unless Young characterizes the GO dismantling as "cosmetic,"
22 he cannot argue that his allegations of what he calls "Fair Game"
23 continued to be committed after the GO was eradicated. It is a
24 standard ploy for opposing litigants to point to the GO and
25 allege "Fair Game" being practiced today on the basis of what the
26 GO did thirteen or more years ago. In Young's "Fair Game"
27 accusations, he is merely trying to stigmatize the Church today
28 by dredging up the type of illicit activity in which the GO

1 indulged and falsely ascribing it to the people who are
2 responsible for ridding Scientology of the GO. What the GO did in
3 the 1970's was not pursuant to "Fair Game." One should call
4 their actions by the precise term that describes them: illegal.
5 But which side was Vaughn Young on during the early 1980s when
6 all of this criminal conduct came to light? I was cleaning out
7 the GO; Young was in the GO. We became aware of the acts of the
8 Guardian's Office and were more horrified by the GO and its
9 crimes than law enforcement officials and others outside the
10 Church. Eleven people were indicted by the authorities; we
11 discharged 800 GO staff. There isn't one iota of evidence
12 concerning my involvement in any GO activities, or that of any
13 other current Church executive. None of us had any involvement in
14 the GO other than to obliterate it forever. Moreover, there isn't
15 one iota of evidence that any current Church staff or executive
16 ever engaged in any conduct reminiscent of the GO.

17 44. Once the Guardian's Office was disbanded there was much
18 that needed to be done to deal with the legal and public
19 relations matters that had been mishandled by that office for so
20 many years. The years of neglect and the GO's destructive acts
21 had put the Church in a position where it was repeatedly being
22 attacked in civil cases, and even the Founder of the religion was
23 being pulled into these suits, despite the fact that he had no
24 connection with any of the claims or acts alleged by civil
25 litigants.

26 27 FORMULATION OF AUTHOR SERVICES

28 45. Mr. Hubbard took no part in the disbanding of the GO or

1 removal of Mary Sue Hubbard. In fact, the first he heard of it
2 was five months after the initial purge, in July of 1981. While
3 he had been out of communication and uninvolved in Church
4 activities for the previous two years, he had engaged in further
5 researches on Dianetics and Scientology. More relevant, however,
6 was that he had also, for the first time since the release of
7 Dianetics in 1950, resumed his writing of fiction. Mr. Hubbard
8 understood that the representation of these works and their
9 publication could not be handled within the Church. Accordingly,
10 in 1982, Author Services was formed to manage the personal
11 affairs of L. Ron Hubbard including his literary, financial and
12 legal matters. As I was held in some regard by Mr. Hubbard, I
13 was given the opportunity to be part of this new endeavor.
14 Beginning in 1982, I devoted my full time and attention to Mr.
15 Hubbard's personal affairs from my position as Chief Executive
16 Officer of Author Services. Young's contention that I was
17 somehow managing all Scientology Churches internationally at the
18 same time that I was supervising Mr. Hubbard's affairs is
19 preposterous.

20

21 FALSE ALLEGATIONS AS A LITIGATION TACTIC

22 46. Since the purge of the GO, I have been repeatedly
23 forced to deal with the points of false allegations that Mr.
24 Young has made here, as well as other lies circulated by a
25 handful of the very individuals I had kicked out. I have become
26 the target of attack for the activities of the very individuals I
27 purged from the Church. In this litigation, Fishman has made
28 numerous allegations about my "involvement" in his criminal

1 enterprise. These allegations are not only false, but resulted
2 in his criminal conviction. Vaughn and Stacy Young have littered
3 the record of this matter further by giving "expert" testimony to
4 support Fishman's allegations by stating, "they might have
5 occurred" based on the acts of the old GO. This is not the first
6 time this tactic has been used as a litigation ploy to harass me
7 and divert the Court's attention from the actual facts in
8 litigation. Each time similar allegations have been raised in
9 the past, however, I have been completely vindicated.

10 47. The first bizarre episode -- of which Mr. Young is
11 aware, but of which he makes no mention -- illustrates Mr.
12 Young's knowledge of the tactic of generating false allegations
13 as a litigation ploy. This particular episode led to an FBI
14 investigation and a bogus lawsuit, but ultimately led to complete
15 exoneration of me. Shortly after I became Chief Executive
16 Officer of ASI, a call came in to ASI from a New England-based
17 bank. The phone caller was calling to verify that a check
18 supposedly signed by Mr. Hubbard should be cleared. After
19 ascertaining that the check was not valid, I stopped payment on
20 it in my capacity as the Chief Executive Officer of Mr. Hubbard's
21 personal, business and literary agency. The matter of this
22 forged check, however, assumed even greater proportions when a
23 so-called "probate" action was commenced against the "estate" of
24 L. Ron Hubbard.

25 48. The probate action was filed by a Boston-based
26 personal injury attorney who induced Ron DeWolfe (L. Ron
27 Hubbard's estranged son who had long since been written out of
28 his will), to claim that Mr. Hubbard's estate was being looted

1 and that DeWolfe should be appointed to "protect it." This
2 Boston attorney was the same one who had pending literally dozens
3 of damage suits naming Mr. Hubbard and which portrayed the Church
4 and the religion's Founder in the most outrageous and prejudicial
5 manner imaginable. Yet, suddenly, in the probate action, that
6 lawyer was suing to "protect" Mr. Hubbard's estate.

7 49. To buttress the false claim that Mr. Hubbard's estate
8 was being looted, DeWolfe and his lawyer made reference to the
9 forged check mentioned above. I had no idea how they were aware
10 there had been an attempt to pass a forged check on Mr. Hubbard's
11 account. Upon examining the facts we were able to develop, we
12 learned that the bank had informed the FBI about the forged
13 check, and that the first and only person the FBI contacted for
14 information was this same Boston attorney, who told the FBI that
15 I, one of Mr. Hubbard's closest and trusted friends, was the most
16 likely candidate to have committed the forgery! As a result, I
17 became the target of an FBI investigation, even though I had been
18 the one who stopped payment on it when I was alerted to the
19 check's existence. Eventually, the entire probate case was
20 dismissed and I was cleared of any involvement with the forgery.
21 Nonetheless, I had been unjustly subjected to negative press in
22 all manner of media publications literally all over the world.
23 Furthermore, this incident of the forged check and the probate
24 case marked the emergence of a new litigation tactic, one that
25 Vaughn Young and Geertz's counsel are trying to exploit here.

26 50. Upon the dismissal of the probate action, DeWolfe's
27 attorney announced that his "real" purpose in bringing the
28 probate action had been to force Mr. Hubbard out of seclusion so

1 he could be served in the civil damages cases filed by DeWolfe's
2 lawyer. The idea was simple. Aware that Mr. Hubbard wanted to
3 maintain his privacy and seclusion, the lawyer would notice
4 Mr. Hubbard's deposition as both an individual and as a "managing
5 agent" of the Church. Default or settlement then would follow a
6 managing agent finding and non-appearance. This ploy was
7 particularly effective since Mr. Hubbard went completely out of
8 touch with any and all Church entities from May of 1984, until he
9 passed away in January of 1986. Even if they had so desired, the
10 Church was literally incapable of presenting Mr. Hubbard for
11 deposition to give testimony to end this ruse. Vaughn Young knew
12 that Mr. Hubbard was not in communication with the Church during
13 the time that ploy was being pursued. Vaughn Young also knew
14 this litigation tactic, and his knowledge of it is evident in
15 this case. It is precisely what is happening here, except
16 Young's false claims of managing agent of the Church status are
17 directed at me.

18 51. I am not L. Ron Hubbard, nor am I in seclusion. I am
19 visible and I testify. Most of all, as set forth in detail
20 above, I am not CSI's managing agent, and Vaughn Young's attempt
21 to characterize me as such collapses from the weight of his
22 ignorance of the corporate, tax, legal and financial structures
23 of RTC, CSI, and every other Church related organization.
24 Ironically, this tired litigation tactic was finally put to rest
25 with respect to L. Ron Hubbard hours before his death on January
26 24, 1986, when Judge Mariana R. Pfaelzer definitively ruled that
27 L. Ron Hubbard was not the managing agent of any church. A copy
28 of that order is annexed as Exhibit A.

1 52. Next, I was subjected to a two and a half year criminal
2 investigation by the Internal Revenue Service. Ironically, the
3 very people I had kicked out of the GO exploited the government's
4 concern over acts the GO had committed to make me the target of
5 an investigation based on the very acts they had committed. Of
6 course they didn't make their previous associations with the GO
7 known. In fact, the IRS's Criminal Investigation Division
8 ("CID") was based on specious allegations filed in civil
9 litigation and spread in the media. The thrust of the
10 investigation was an alleged criminal conspiracy begun in 1966 to
11 impede the Internal Revenue Service. I was the primary target of
12 this investigation even though I was only six years old when I
13 began the "conspiracy."

14 53. The CID's massive investigation was ultimately rejected
15 outright by the Justice Department. However, the IRS dossier on
16 me, an accumulation of over 100,000 pages of documents -- the
17 largest in the Service's history -- was filled with falsehoods
18 from a handful of bitter former Scientologists and ex-GO like Mr.
19 Young. It contained the same allegations that have been
20 repeatedly disproved, but which are nevertheless being made again
21 in this case.

22 54. For example, Mr. Young repeats the allegations made by
23 Gerry Armstrong that the Church practices "Fair Game" and that
24 Gerry Armstrong was in "fear of his life." To bolster the
25 validity of this allegation, Vaughn Young refers to the
26 Breckenridge decision. What Mr. Young fails to disclose,
27 however, is the fact that following that opinion, Armstrong was
28 proven a liar. In a police-sanctioned investigation, Gerry

1 Armstrong was captured on video tape acknowledging his real
2 motives, namely a plot to overthrow the Church leadership and
3 gain control of the Church. On those very video tapes, Armstrong
4 acknowledges he not only isn't "afraid," but that he "will bring
5 the Church to its knees." While plotting his overthrow attempt
6 he gives advice that the Church should be accused of various
7 criminal acts. When told no evidence exists to support such
8 "charges," he responds, "just allege it." It should be noted
9 that while Gerry Armstrong had been an "informant" during the IRS
10 criminal investigation, based on these tapes and statements, the
11 IRS dropped him as a witness, thereby repudiating his
12 credibility. Vaughn and Stacy Young were fully aware of these
13 facts as Stacy wrote the cover story in Freedom Magazine that
14 exposed Armstrong's plot.

15 55. The steady barrage of such falsehoods poisoned the IRS
16 with respect to the Church generally and me personally. Years
17 later, IRS Internal Security agent Keith Kuhn filed a declaration
18 in several cases, falsely accusing me of threatening another IRS
19 agent with whom I had never spoken in my life. That declaration
20 was stricken as unsupported and scurrilous, and the IRS was
21 ordered by Judge Keller of this Court to pay sanctions for having
22 filed it at all. [Ex. B, Order and transcript, Church of
23 Scientology of California v. IRS, No. CV 90-5638 WDK (C.D.Cal.)]

24 56. The attempts to harass me in litigation have extended
25 to creating not just false allegations, but false documents as
26 well. In 1984, a former staff member, who was employed by a
27 splinter group that was seeking to pull Scientologists away from
28 the Church for the splinter group's profit, created a forged

1 document entitled SMASH THE SQUIRRELS which was allegedly written
2 by me and which purported to show that I intended some form of
3 harassment towards apostates of Scientology. One would normally
4 ignore such wild incidents, except this document was continuously
5 used against me in litigation, most particularly to prevent me
6 from gaining access to government files on me. I have had to
7 fight this issue for years and only last year was this matter put
8 to rest. This document was recently examined in a Freedom of
9 Information Act case, Miscavige v. IRS, No. CV 88-7341 TJH
10 (C.D.Cal.) by Special Master Jack Tenner, who found that it was,
11 in fact, a forgery and could not be used in court. That decision
12 was affirmed by Judge Hatter of this Court. [Ex. D, Order of
13 Judge Hatter.] Even though this document has been ruled to be a
14 forgery, Geertz's attorneys have now referred to it and seek to
15 use it in this case as if it were real.

16 57. Perhaps the most telling indication that the allegations
17 made by Mr. Young and other apostates regarding corporate and
18 financial affairs of various Church entities are false, is the
19 recent recognition of the tax exempt status of all Scientology
20 Churches in the United States by the IRS. This recognition of
21 exemption followed the most exhaustive review of financial
22 records and corporate structure of any exemption application ever
23 filed. That process is described in detail in the accompanying
24 declaration of Monique E. Yingling. [Ex. C.] As part of the
25 exemption process, the IRS also considered and rejected virtually
26 all of the same allegations that are now being made against me in
27 this case. These discredited and untrue charges should not have
28 to be dealt with time and time again. After the most extensive

1 review in IRS history, to have uninformed apostates
2 second-guessing the IRS's determination, and regurgitating false
3 claims that the IRS and Courts have rejected again and again,
4 putting me in the position of defending against the same old
5 allegations, is ludicrous! This has to end somewhere, as it is
6 not just wasting my time, but the Court's time as well. All the
7 while further false accusations are made that the Church likes
8 litigation. Magistrate Tassopoulos stated on January 4, 1994,
9 "You know you people enjoy the fight..." To the degree this
10 statement is directed at me, she is just wrong. I despise
11 litigation and in fact know of no Scientologist who enjoys it.
12 However, we have been forced to defend ourselves because of
13 unfounded allegations the courts seem too willing to accept or
14 which they are incapable of preventing.

15

16 THE YOUNGS' LACK OF KNOWLEDGE OF SCIENTOLOGY CORPORATE MATTERS

17 58. Putting aside Mr. Young's familiarity with the tactic
18 of maligning the Church and me as a litigation weapon, I simply
19 do not understand from where Mr. Young purports to derive his
20 self-proclaimed "expertise" about Scientology as a religion, or
21 about the corporate, legal, or financial affairs of RTC, CSI, or
22 any other Scientology organization. I know Mr. Young, having
23 worked with him briefly on specific projects in 1981 and 1983,
24 and once held him in some personal regard. He never occupied any
25 position of corporate or ecclesiastical authority in any Church
26 or in ASI, and certainly did not have any significant personal
27 exposure to how the corporate or ecclesiastical structure of
28 Scientology is established or how it works. He cannot claim any

1 personal knowledge in that regard since July of 1989. At no time
2 did he occupy any "inner circle" in Scientology leadership and,
3 in candor, he was never in any position to have any knowledge of
4 what I do or how I do it. To that I must add that despite his
5 outrageous claim to the contrary, I never in my life laid a
6 finger on Vaughn Young, let alone beat him unconscious or
7 otherwise, as he claims. Indeed, this allegation only surfaced
8 once he attempted to enmesh me in this case. It is absurd on its
9 face for Mr. Young to have omitted this alleged incident from his
10 earlier affidavits which purportedly cited the reasons "why he
11 left the church." In my mind, his need to invent complete lies
12 such as this reveal that his motives are personal, his character
13 is spiteful, his aim is money, and his means to those ends know
14 virtually no limits.

15 59. Vaughn Young completely misstates my relationship to
16 the plaintiff Church of Scientology International. Young claims
17 that I somehow direct, manage and control every facet of CSI's
18 operations and activities. This also is ludicrous. CSI has well
19 over a thousand staff members who deal with international
20 promotion and dissemination efforts, evaluate situations in
21 Scientology churches around the world, and provide plans and
22 programs that give guidance to these churches. This is the
23 activity of international and middle management of CSI, which has
24 an entirely different purpose and sphere of activity than RTC.
25 My job as Chairman of the Board involves many functions, but does
26 not include management of CSI or any other Scientology church. I
27 do not create corporate strategy nor do I direct or manage the
28 personnel of CSI. I do not remove CSI's directors or officers. I

1 do not run CSI or its executives. Anyone who would testify to
2 the contrary is either uninformed or untrustworthy.

3 60. The Youngs have chosen not only to malign me
4 personally, but also to attack the very religious beliefs and
5 practices which they once professed to follow. Although the
6 religious nature of Scientology has been recognized by courts and
7 administrative bodies throughout the world for decades, the
8 defendants and their witnesses are attempting to enter the
9 constitutionally forbidden area of judicial evaluations of
10 religious tenets by placing the meaning and efficacy of religious
11 beliefs and practices of Scientology on trial. Deliberately
12 distorted interpretations of Scientology religious doctrine have
13 been filed in this Court concerning Scientology concepts such as
14 PTS Type 3 and Black Dianetics. At the same time, defendant
15 Steven Fishman has also invented entirely fictitious terms such
16 as "EOC," and claimed that they are part of Scientology. They
17 are not. His claim that there is anything in the Scientology
18 religion that even resembles a directive to commit murder or
19 suicide is as outrageous as it is ridiculous. These are all
20 total misrepresentations of religious doctrine made by people who
21 are not in the least qualified to make doctrinal judgments. I can
22 say categorically that "EOC" does not exist in Scientology, and
23 the concept ascribed to it in this case by the defendants is
24 false and scandalous.

25 61. Young tries to gain credibility by stating he was one
26 of maybe ten people summoned to Mr. Hubbard's ranch when he
27 passed away. He was not the first to be called, but arrived with
28 a cook, a carpenter, gardeners, and a guard. More importantly,

1 the press on LRH's passing away was not handled from the ranch.
2 Vaughn Young was at the ranch to deal with any local inquiries
3 and with the neighbors and farmhands who had been friends of Mr.
4 Hubbard, and he worked under the guidance of another ASI staff
5 member.

6 62. Young also mentions Pat Broeker, and attempts to
7 position Broeker as someone who had power and legitimacy within
8 the Church structure. Young, who never held a senior management
9 position during the entirety of his time in the Church, falsely
10 claims that there was a power struggle between Broeker and me
11 after the death of L. Ron Hubbard. This assertion demonstrates
12 Young's lack of knowledge of the actual corporate structure of
13 the Church. Pat Broeker was neither an officer nor a director
14 nor a trustee of Religious Technology Center, CSI or any other
15 Church corporation. It was only an ignorant and destructive
16 few, such as Vaughn Young and Vicki Aznaran, who ever believed or
17 supported Broeker's claims to authority. No removal of Pat
18 Broeker occurred or was necessary. He simply did not hold any
19 position in any Church corporation. Vicki Aznaran, on the other
20 hand, was removed from her position as President and Inspector
21 General of RTC. She herself has testified to the reasons for her
22 removal -- employing an ex-GO staff member involved in criminal
23 acts and allowing false Church scriptures to be presented as
24 authentic writings of Mr. Hubbard, when she knew they were not.

25 63. All of the foregoing should be viewed in the context of
26 Scientology being a new, evolving religion. Although
27 unfortunate, all emerging religions in history have gone through
28 a period of turmoil, especially following the death of its

1 Founder. Scientology is no exception. However, we have entered
2 into an extended period of calm and expansion since these
3 upheavals in the 1980s. The resolution of the long-standing
4 conflict with the IRS is perhaps the best indicator of this.

5
6 "OF AND CONCERNING" CSI

7 64. The only issue mentioned by the defendants in
8 connection with taking my deposition which is even arguably
9 relevant to this case is the so-called "of and concerning" issue.
10 That can be disposed of in a few sentences. When a person makes
11 a statement about "Scientology" or the "Church of Scientology,"
12 the most reasonable conclusion is that the reference is to CSI.
13 CSI is the Church corporation that is viewed as "Scientology" by
14 the public at large. Major Scientology publications found in
15 public bookstores regularly contain introductory remarks from
16 CSI. For example, the book What is Scientology?, which has just
17 recently been distributed in paperback around the country, has an
18 introduction from CSI. Freedom Magazine, which Stacy Young tried
19 to sever from the Church, proudly states that it is published by
20 CSI. Likewise, when a Scientology spokesman is wanted by the
21 media for virtually anything about "Scientology" or the "Church,"
22 they routinely contact CSI. When the IRS recognized CSI as tax
23 exempt and established a group exemption so that new churches
24 could immediately become tax exempt on the authority of the
25 Mother Church, it was CSI to whom the group exemption authority
26 was given. It certainly is reasonable for the public to
27 understand statements about "Scientology" and the "Church" as
28 referring to CSI.

1 CONCLUSION

2 65. The thrust of the declarations filed by Vaughn and
3 Stacy Young is that the allegations made by Fishman should be
4 believed. This is remarkable in itself since the Youngs have
5 apparently never met him and never knew him. They appear
6 completely willing to accept this convicted felon at face value,
7 although he served a prison sentence for obstructing an FBI
8 investigation of his financial scam, by telling the same lies
9 about the Church that he is telling this Court. The Youngs
10 devote pages to descriptions of a "Fair Game" policy that no
11 longer exists. Yet they are silent as to their own experiences
12 between the time they left the Church in 1989 and the time they
13 began their careers as paid for hire witnesses. What did happen
14 after they left the Church? There was no harassment. They were
15 free to leave, which they did. We got on with our lives and paid
16 them no attention. Now, nearly five years later, they have
17 resurfaced, making outrageous accusations and participating in an
18 effort to resurrect in this case the tactics of the GO of which
19 Vaughn Young was once a part. The conclusion that necessarily
20 flows from those facts is that the only reason that the Youngs
21 feel safe enough to make their outrageously false allegations of
22 bad conduct and harassment against the Church and me is because
23 they know there will be no "Fair Game" retaliation, thanks to my
24 kicking out the GO and putting a permanent end to their abuses.

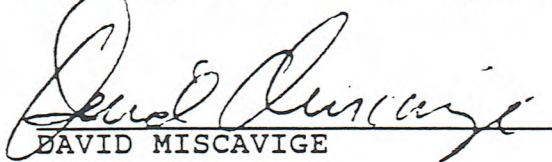
25 66. Since 1981, I have heard this allegation of Fair Game
26 literally thousands of times. Yet, I had never even heard the
27 term until I saw it used in civil litigation, and to this day
28 have never once heard the term used within the Church. Nor have

1 I ever heard, even from civil litigants, anything actually done
2 to them. Its use is strictly as a smear tactic when one has no
3 act to point to. Vaughn and Stacy Young know the trick and since
4 they know the truth about the use of this tactic against
5 Scientology, I find their declarations particularly disingenuous.

6 67. The foregoing represents what testimony I believe I had
7 to give in this case had Geertz's counsel not refused to take the
8 deposition of me that he persuaded the Magistrate Judge to order.
9 The essence of the matter is this -- I do not know Fishman and I
10 do not know Geertz, and as to my knowledge of either of them,
11 either before or after the Time magazine article, it is nil.
12 Having no basis to seek my testimony in this case, Geertz's
13 counsel resurrected the same tactics that adversaries have
14 employed for years in litigation involving the Church, namely the
15 employment of hired guns like Vaughn and Stacy Young, to make
16 allegations about matters of which they know nothing. Unlike the
17 Youngs, I know the facts about the matters they address. Unlike
18 the Youngs, I was there. Their self-proclaimed and completely
19 non-existent "expertise" is a disingenuous litigation tactic in
20 pursuit of harassment, and that "expertise" is shown to be
21 fiction crafted for hire and evidence of nothing. The GO was
22 disbanded with finality and the criminals within were forever
23 banished. The IRS attacks were brought to a conclusion with
24 finality. I did those things; the Youngs did not. I know those
25 facts; the Youngs do not. The Youngs present nothing but dusted-
26 off, discredited allegations that cannot withstand scrutiny. I
27 have provided the Court with an accurate, first-hand account of
28 the facts.

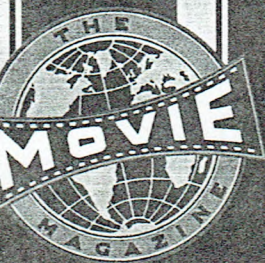
1 I declare under penalty of perjury under the laws of the
2 United States of America that the foregoing is true and correct.

3 Executed this 24th day of February 1994, at Riverside County,
4 California.

5
6 
7 DAVID MISCAVIGE

'THE FUGITIVE': STALKING HARRISON FORD

PREVIEW



IN YOUR FACE

MEL GIBSON

directs 'The Man Without a Face'

BY RACHEL ABRAMOWITZ

HOW SCIENTOLOGY HOOKS HOLLYWOOD

INSIDE COLUMBIA'S
'LAST ACTION' HORROR

U.S.A. \$2.95
CANADA \$3.50
SEPTEMBER 1993



PREMIERE

MAN WITH A FACE:
Mel Gibson is out to prove he's
no slouch at directing.
46

FIROOZ ZAHEDI, PAJAMAS, VALENTINO

FEATURES

46

MAD MEL

BY RACHEL ABRAMOWITZ

Directing and starring in your first film can make anybody crazy, especially Mel Gibson—who is not exactly Mr. Introspection, yet still had to tunnel into his childhood to make *The Man Without a Face*. "I was trying to throw in a little from what I remember of being that age," says Mel.

54

HOW THEY BUILT THE BOMB

BY NANCY GRIFFIN AND CORIE BROWN

In the bunker with Arnold, Mark Canton, and John McTiernan as Columbia tried to salvage *Last Action Hero*. "In hindsight," says Arnold, "it would've been better to postpone the opening."

64

SISTER ACT

BY JOHN CLARK

PHOTOGRAPHED BY FIROOZ ZAHEDI

Patricia Arquette inflicts some Quentin Tarantino-style ultraviolence on the bad guys in Tony Scott's *True Romance*.

66

BORN TO RUN

BY KITTY BOWE HEARTY

If Clint Eastwood can keep up with a presidential motorcade, Harrison Ford shouldn't have too much trouble outrunning Tommy Lee Jones in this big-budget, big-screen, big-bang rendition of that golden oldie, *The Fugitive*.

72

ELEPHANTS IN THE GARDEN

BY ESTHER FREUD

When you cross *Edward Scissorhands*' writer with the director of *Europa Europa* to adapt a kids' classic like *The Secret Garden*, you get a hybrid that might have surprised Frances Hodgson Burnett.

78

LEADER OF THE (PADDY) PACK

BY JOHN CLARK

Gabriel Byrne has a tough time getting his wife, Ellen Barkin, to pass the salt, but he's not having too much trouble with his acting career. "Who knows?" he says. "One of these movies could take off . . . and I'd be the next Julia Roberts."

80

CAUSE WITHOUT A REBEL

BY PAUL ALEXANDER

James Dean may never come back to the five-and-dime, but his spirit draws 30,000 die-hard fans to the annual James Dean festival in Fairmount, Indiana.

84

CATCH A RISING STAR

BY JOHN H. RICHARDSON

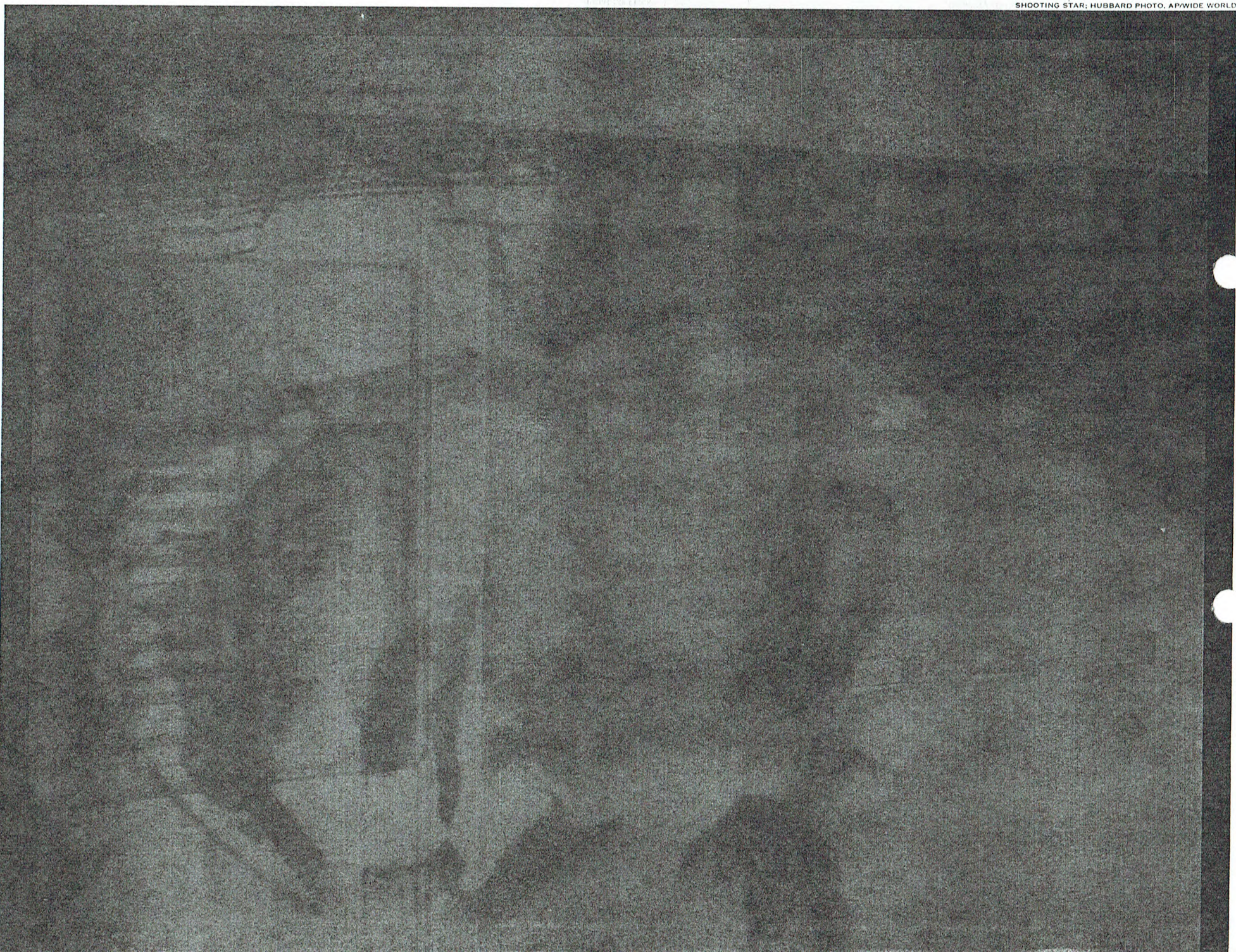
For nearly 40 years, Scientology has cultivated Hollywood celebrities—and Tom Cruise now heads a long roster of satisfied show-biz converts. But get between the church and its stars, and you may find yourself shunned by your family, investigated by private detectives—or even accused of being an accomplice to murder.

95

THE BLUE SCREEN

BY JOHN H. RICHARDSON

In chapter eight of our serialized fiction, a little too much whiskey and a hidden secret land Peter James on the unemployment line as Detective Grimm's words continue to ring in his ears: "Do you even know, James? Do you know what you've gotten into?"



CATCH

Scientology's membership boasts some of Hollywood's top talent, despite one of the most sinister reputations of any modern religion

BY JOHN H. RICHARDSON

PHOTO-ILLUSTRATIONS BY JAMES FEE

RISING

STAR

"The evidence portrays [L. Ron Hubbard] as... virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence... reflect his egoism, greed, avarice, lust for power, vindictiveness, and aggressiveness against persons perceived by him to be disloyal or hostile."

—Paul G. Breckenridge, Jr.,
Judge of the Superior Court
of Los Angeles, June 20, 1984

AFTER HIS WEDDING TO NICOLE KIDMAN, TOM CRUISE was the guest of honor at a dinner party given by the powerful Creative Artists Agency at the trendy DC3 Restaurant, overlooking the Santa Monica Airport. Cruise sat at a table with CAA kingpin Michael Ovitz, often called the most powerful man in Hollywood. Right next to them sat David Miscavige, often called the most powerful man in the Church of Scientology, the self-help religion that promises "auditing" will "clear" its followers of the fears and traumas blocking them from total success—at a typical cost of \$300 to \$400 an hour. Nearby were two full tables of Scientologists. According to one of the guests, the Scientologists around Cruise were "like they always are—very direct, very attentive, very protective—hovering over Tom. And shaking a lot of hands."

Across town, a former Scientologist named Nan Herst Bowers was agonizing over a letter she'd recently received from her 23-year-old son, Todd. "Dear Mom," he wrote, "I am sending you this letter to let you know that I have to disconnect from you. . . . I can't see you, the babies, or Jim until this is all over and handled."

A Hollywood publicist, Bowers had been a Scientologist for twenty years, had been married to a Scientologist, and had raised three sons in the organization. Although she had been drifting away for years, she was still officially a member when an article appeared in the *Star* about Cruise's involvement with Scientology. Almost immediately, the tabloid began getting

strange calls. The callers "started harassing me to find out who my source was," says Janet Charlton, the reporter who broke the story. "People in the [Tarrytown,] New York office, the reporter who worked with me, the front office all got fake calls, trying to find out my source, to get a phone number." When that didn't work, Charlton says, she got a startling call from the phone company. "They told me there were people calling from different places, from New York and the West Coast, trying to get copies of my phone bill, pretending to be me. Then someone called me pretending to be a lawyer from my own magazine."

Shortly afterward, Bowers says, she also got a strange call—from a man claiming to work for the *Star*. "He said his name was Alan Goldman and he was with the GP Group, which had recently bought the *Star* and the *National Enquirer*. He said he had talked to Janet Charlton, and she said I was her source for the Tom Cruise story, and if it wasn't true, she would be fired."

Bowers insists she wasn't a source for the Cruise story. But Charlton is a close friend. So, Bowers says, under pressure from "Goldman," she finally made the statement that tore apart her family. "I lied for Janet," says Bowers. "He said, 'Did you get paid for it?' and I named a figure I thought was right."

It turned out that "Alan Goldman" was lying. In fact, as Scientology officials readily admit, the caller was a private detective working for Scientology attorneys. Three days later, Bowers says, a Scientology official named Philip Jepsen paid her a visit. "He comes with two people in uniforms—very intimidating—and he asks me about Tom Cruise," Bowers recalls. "It became obvious he knew everything I had told 'Goldman.' He grilled me for two hours. At the end, he handed me a Declare."

The charges listed in Bowers's "Suppressive Person Declare"—essentially an order of excommunication—included "writing anti-Scientology letters to the press or giving anti-Scientology or anti-Scientologist data to the press" and "engaging in malicious rumour-mongering to destroy the

authority or repute of higher officers or the leading names of Scientology." The Declare meant that, in general, no one in Scientology should speak to her again, including members of her family. It was followed by "Disconnect" letters from her sons and ex-husband.

When Bowers tried to contact her sons, she got letters back from Jepsen. "Dear Nan, I just received a letter from Todd, enclosing a card you sent to him for Valentine's Day," Jepsen wrote. "In the card you suggest to him that you and Todd see each other without telling anyone. I think you realize that this would not help Todd in any way in his auditing, and he would at best have a withhold that would keep him constantly out of session and unable to make any gains. Todd has asked me to let you know that he is now engaged and that he is giving you a year's warning in which to handle your situation so that you will not miss out on something you really want to be part of." In other words, recant or miss your son's wedding.

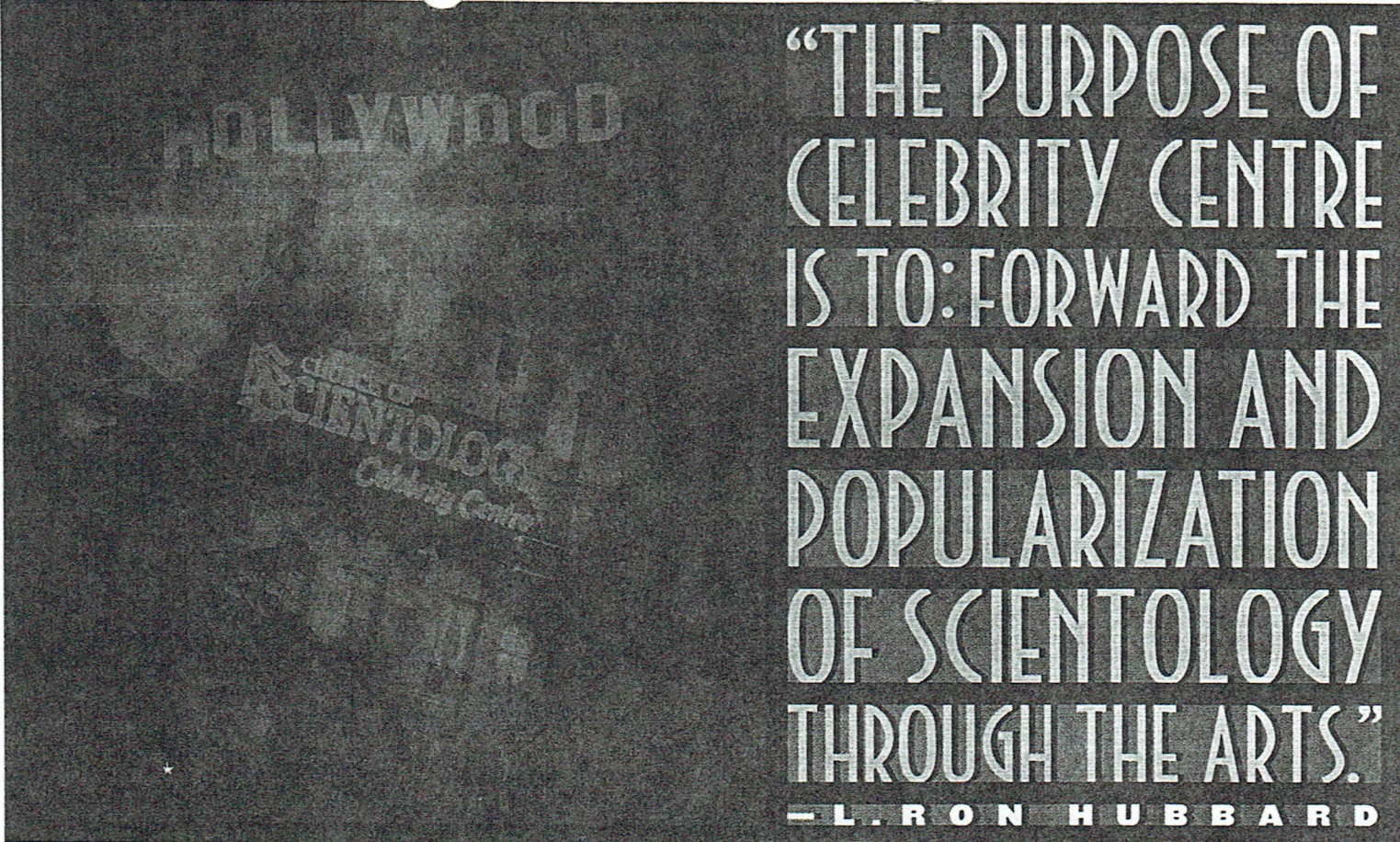
Scientology officials respond to Bowers's charges by accusing her of being in league with the Cult Awareness Network, an anticult group whose members they call "thugs" and "kidnappers." Scientology organizations and individuals have lodged more than 40 lawsuits against CAN, which counts among its members the wife of Supreme Court justice Clarence Thomas and Patricia Ryan, whose father, Representative Leo J. Ryan, was killed by Jim Jones's followers in Guyana. CAN officials say their only service is to provide information, and they adamantly deny Scientology's charges that they are involved in kidnapping or any other illegal acts. Scientologists also say Bowers tried to get one of her sons "kidnapped" by deprogrammers. Bowers admits trying to get her son to talk to two "exit counselors"—who say they don't use force and only talk to people who are willing to speak to them—but the son ran away before she could even bring them together.

Since her Declare, Bowers has been trying to contact Cruise. He has a reputation for being a good guy, she says—surely he wouldn't want her family split up on his account. Maybe he would intervene. "I sent a letter to his assistant," she says. "I said, 'Listen, Tom, the church went out of its way to protect you, and in doing so they ruined my relationship with my three boys. I wanted to know if you could help.'"

Bowers never heard back.

CELEBRITIES HAVE BEEN PART OF SCIENTOLOGY FOUNDER L. Ron Hubbard's strategy for success since 1955, when he launched "Project Celebrity" by printing a wish list that included Orson Welles, Danny Kaye, James Stewart, Greta Garbo, Walt Disney, Darryl F. Zanuck, Cecil B. DeMille, and many others. Scientology's *Ability* magazine printed detailed instructions for hunting them down. "If you want one of these, write us at once, giving the ONE celebrity you have selected. We will then allocate this person to you as your game. Having been awarded one of these celebrities, it will be up to you to learn what you can about your quarry and then put yourself at every hand across his or her path. . . ." The order concluded: "These celebrities are well guarded, well barricaded, overworked, aloof quarry. If you bring one of them home, you will get a small plaque as a reward."

Nearly 40 years later, Scientology has arrived in Hollywood in a big way. The list of celebrity Scientologists now includes Cruise, Kidman,



"THE PURPOSE OF CELEBRITY CENTRE IS TO: FORWARD THE EXPANSION AND POPULARIZATION OF SCIENTOLOGY THROUGH THE ARTS."

—L. RON HUBBARD

Priscilla Presley, Lisa Marie Presley, Anne Archer, Juliette Lewis, Kelly Preston, John Travolta, Mimi Rogers, Karen Black, and Kirstie Alley. There are dozens of lesser-known Scientologists in show biz as well: Lee Purcell (*Big Wednesday*), Jeff Pomerantz (*General Hospital*), Geoffrey Lewis (Juliette's dad, who was in *Every Which Way but Loose*, among other movies), Judy Norton-Taylor (*The Waltons*), Nancy Cartwright (the voice of Bart Simpson), child TV actor Vonni Ribisi (*My Two Dads*), Michael Wiseman (*Predator 2*), Kimberley Kates (*Bill & Ted's Excellent Adventure*), Michael D. Roberts (*Rain Man*), and Gary Imhoff (the forthcoming *Thumbelina*). Then there are the behind-the-scenes talents: *Dick Tracy* screenwriter Floyd Mutrux; composer Mark Isham (*A River Runs Through It*); actor and acting teacher Manu Tupou (*Hawaii*); and director Dror Soref (*The Seventh Coin*), who cut his teeth on Scientology films and now has a deal at Paramount. Scientology even claims one of Hollywood's most successful acting teachers, Milton Katselas, who heads the Beverly Hills Playhouse. People who have drifted through Scientology include Jerry Seinfeld, Patrick Swayze, *Top Gun* producer Don Simpson, Harvey Haber (brother of CAA cofounder Bill Haber), actor Brad Pitt, and Ernest Lehman, screenwriter of *The Sound of Music*.

Scientology's physical presence in Los Angeles and Hollywood is massive. It owns at least seven large buildings, staffed by 2,500 members, and is associated with a wide array of local organizations—"front groups" to their detractors. Some are directly affiliated with the Church of Scientology, like the Citizens Commission on Human Rights, an antipsychiatry group, and Author Services, which represents Hubbard's books and hires actors like Roddy McDowall and Bruce Boxleitner to read the Scientology founder's books on tape. Others have Scientologists on staff and use Scientology methods: HealthMed Clinic offers a drug treatment developed by Hubbard called the Purification Rundown, the Gentle Birth Center offers a Scientology-compatible quiet birthing technique, and the Delphian School and Apple Academy use his "study tech." Then there's the Foundation for Advancements in Science and Education (FASE), which used funds from the U.S. departments of Energy, Education, and Labor—as well as IBM, ARCO, and the National Science Foundation—to produce a PBS motivational

math series that featured Arnold Schwarzenegger, Léonard Nimoy, Ted Koppel, and Edward James Olmos. FASE has also promoted Hubbard's Purification Rundown. Some are run by Scientologists and may have no other connection to Church of Scientology activities, such as the Shaw Health Center and *American Premiere* magazine, which is distributed free to all members of the Academy of Motion Picture Arts and Sciences. (For the record, *PREMIERE* and *American Premiere* were in a trademark litigation several years ago. The dispute was resolved.)

And Scientology's celebrities work for their church. When one stage of a court case in Oregon went against Scientology, Travolta flew up to speak at a news conference. Alley is the international spokesperson for Narconon International, a Scientology-inspired drug rehabilitation program, which she promotes through interviews, speeches, and public appearances. Magazine covers of Cruise, Travolta, Archer, and others are displayed outside one of Scientology's New York centers, along with the slogan: I AM A SCIENTOLOGIST . . . COME IN AND FIND OUT WHY. Travolta's films have been made available for Scientology benefits: *Chains of Gold* premiered—at the Directors Guild—for Scientology's Ability Plus schools. *Look Who's Talking Too* raised a reported \$100,000 for Narconon. In 1991 Black lent her name to a benefit for the Gentle Birth Center. Celebrity Scientologists frequently extol the benefits of Scientology courses in *Celebrity* magazine, which is distributed free at Celebrity Centres: "It was just after auditing that I got the role in *Fatal Attraction*," says Archer. "The tech that has helped me the most in acting has been Mood Drills and TRs," says Alley. "I guess you could say that is my acting technique." Hubbard's name even made the 1975 Oscars, when producer Bert Salzman said in his acceptance speech, "I want to thank . . . [my] dear friend, and [a] wonderful human being, and a man who helped me pull it all together, Mr. L. Ron Hubbard."

While many Scientologists are certainly sincere idealists—even the most bitter ex-Scientologists say there are many fine people in the group—there is no doubt that Scientology has mastered the art of associating with good causes. Case in point: The Earth Communications Office (ECO) is Hollywood's leading environmental group, with a

board that has included such luminaries as Schwarzenegger and Michael Keaton—as well as Rogers, Alley, Preston, and Cruise. R. Michael Wisner, a FASE official and administrative director of HealthMed, was also on the board. Alley helped arrange a premiere of *Look Who's Talking* to benefit ECO. Scientologist members suggested that Author Services develop an environmental booklet for ECO. The booklet, called *Cry Out*, ended with a poem Hubbard had written before he died in 1986.

The association between ECO and its celebrity Scientologists began to backfire: When the Sherman Oaks Elementary School planned a program of skits and songs based on *Cry Out*, complaints from worried parents and administrators about the Scientology connection became so strong that the school canceled the event. Soon afterward, ECO founder Bonnie Reiss brought up her growing concerns with ECO's Scientologists, at which point Cruise and Alley left. But before they did, Alley appeared under ECO auspices on *The Arsenio Hall Show* with fellow Scientologist Edgar Winter, who performed Hubbard's *Cry Out* for an audience of millions.

Since he went public, Cruise has been Scientology's most glittering advocate. He says Scientology helped him with his learning disability, and he also reportedly urged studio executives to rent an expensive sound machine developed by Scientologists; it was used on *Far and Away*. (Some associated with the production later noted it did prove useful.) And he has introduced major Hollywood players to church leaders, in one case flying producer Brian Grazer and screenwriter Bob Dolman by helicopter to Scientology's desert complex for a story meeting. Director Ron Howard was waiting there with Cruise. "The surreal thing about it is it's in the desert, and part of the office is built as the replica of a ship," Dolman says. "And the idea of going to a place that has its own compound in the desert and being flown in a helicopter is exotic."

Dolman found his hosts "so security-conscious, so military—there was a car waiting for the helicopter, people wearing brown khakis." At the end of the story meeting, he walked Scientology leader Miscavige to shake hands. Miscavige also came to the *Far and Away* location for Cruise's birthday. "I know he's one of Tom's closest friends," Dolman says.

AT FIRST, NONE OF THE WELL-KNOWN SCIENTOLOGY celebrities would agree to be interviewed for this article. Cruise's publicist, Pat Kingsley, insisted that writing an article about someone's religion was "un-American." Alley faxed this response: "If I ever met a journalist who I felt had the intention of representing this religion in its true vein, I would not hesitate to do the interview. My instincts tell me you're not the one. Pass-adena."

Scientology leaders later agreed to a two-day interview with this reporter, which they began by saying they weren't surprised that no Scientology stars would talk to PREMIERE because Cruise's former publicist, Andrea Jaffe, said "you wanted to get some 'juicy stuff' on Scientology." PREMIERE interviewed Jaffe shortly after she left her job with Cruise to become head of marketing at Twentieth Century Fox. She denies saying anything like this but admits following up her interview with calls to both Cruise and Scientology spokesman Mike Rinder.

Subsequent to an interview with the Scientology leaders, we received letters from several actors: "Scientology is a brilliant technology that I have used for many years to make my life more insightful and

richer," Archer wrote. "As an artist I have felt more and more creative and find myself constantly expanding. Those things that one wishes one could change about oneself just fall away and there you are—more truly yourself."

Priscilla Presley wrote: "Scientology is the only religion I know of that still maintains integrity, values, and delivers what it says it will. I have had tremendous gains from applying Scientology philosophy to my life, and things have changed for the better as a result. . . . People who drop out of Scientology or have a problem with it obviously can't maintain the ethics involved, which is the same reason why our society is in the condition it's in. If we don't have a sense of ethics in our lives

and get back to the basics, where is the future for our children?"

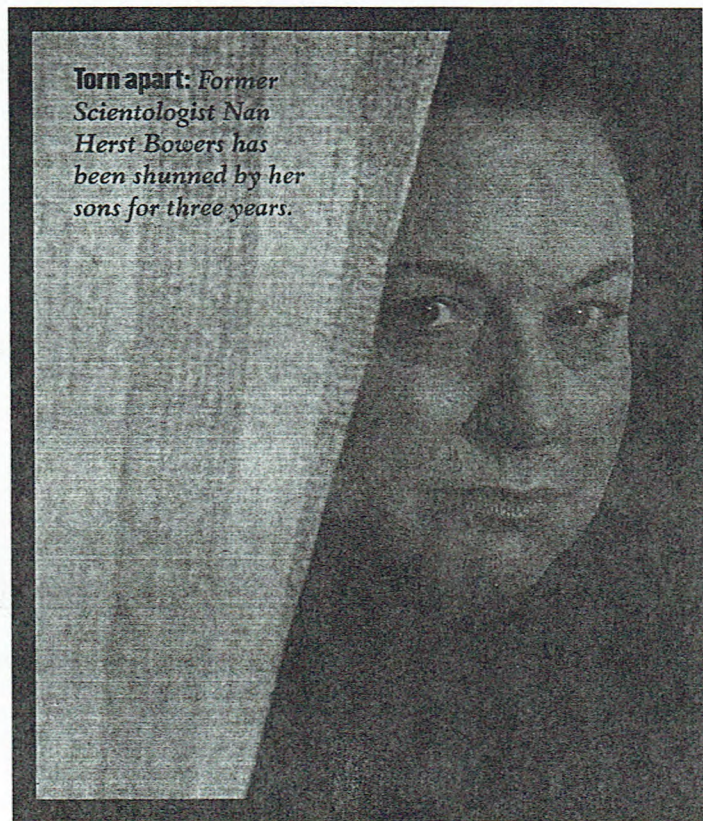
Finally, just before this story went to press, actor Michael D. Roberts called and offered—demanded, actually—to be interviewed. "I've had many wins in Scientology, and I've been a member for twenty years," he said. But he insisted on meeting face-to-face and said he wasn't available for "several weeks," repeatedly refusing to be interviewed on the phone right then and there.

Ex-Scientologists were also reluctant to talk—out of fear. "I have kids, I have an ex-husband who is still way, way involved," said one. "Everybody I know has been investigated." A Hollywood publicist also refused: "I don't have the lawyers or the bodyguards." Emilio Estevez was reported to be the target of a Scientology recruitment attempt; he said he supported PREMIERE's efforts but declined to be interviewed: "I just don't want to end up with my phones tapped."

Such fears have considerable foundation. The worst incidents come from the '70s: Scientologists are known to have framed the mayor of Clearwater, Florida, in a trumped-up hit-and-run accident. They also framed a journalist named Paulette Cooper, alleging a bomb threat, and sued her seventeen times. Hubbard's wife, Mary, and ten other leading Scientologists were sentenced in 1982 to five-year terms in federal prison for breaking into government offices and stealing thousands of official documents about Scientology. During their trial, several Scientologists leaked damaging information to the press about the presiding judge's sex life. In a 1977 raid on Scientology's Los Angeles offices, the FBI found lock picks, pistols, ammunition, knockout drops, a blackjack, and bugging and wire-tapping equipment, as well as church memos on how to launder money, tail enemies, and blackmail people.

The current leaders of Scientology insist that the acts of Mary Hubbard and her coconspirators represent a dark side of Scientology that is all in the past. They dismantled the unit that was responsible for these activities, and attack a reporter as "a bigot" for raising the issue. But they admit without hesitation that they still use private detectives to investigate their enemies, including Bowers—they even provided documentation of Scientology detectives secretly videotaping a sting operation against a hostile former church member. "I have no problem with that," says Marty Rathbun, president of the church's Religious Technology Center.

To this day, people who tangle with Scientology find themselves subject to aggressive efforts at intimidation. Mike Farrell, who played B.J. on the television series *M*A*S*H*, crossed paths with the church when he contacted the Cult Awareness Network for information on a film project about child abuse. After gaining great respect for their work, he attended a fund-raising event at a private home in Beverly Hills, where he was confronted by angry picketers. "There were people taking photographs, being very obvious, getting video footage of the



Torn apart: Former Scientologist Nan Herst Bowers has been shunned by her sons for three years.

PHOTOGRAPHED BY JAMES FLESHHOOTING STAR

CRUISE CONTROL

Tom Cruise refused an interview with PREMIERE. When we presented our fact-checking questions, we received this response.

[To the editor:] I got Tom Cruise to answer the questions and I offer them to you on one condition.

The condition is that you use the questions exactly as they were asked and use the answers exactly as they were given.

We have agreed that if any changes are contemplated by PREMIERE we can then withdraw all of the material and nothing can be printed without our specific approval.

With that in mind I send these sheets on to you and would appreciate hearing from you once you have an opportunity to look at them.

Sincerely, Pat Kingsley

[Tom Cruise's Publicist]



LANCE STAEDLER/SYGMA

5) That his staff have been invited to Scientology offices to take courses.

I have never heard of this and don't even know what it means.

6) His near constant companion is DM.

My near constant companion is my wife, Nic. Dave Miscavige is a good friend of mine and while we both wish we could see each other more often, due to my schedule and his we rarely ever see each other. This question is just off the wall. We are friends. And how is this relevant to anything? It's offensive that I should even have to answer this question.

7) Nan Herst Bowers—was a

Scientologist who was separated from her children by the church. She wrote a letter to Tom saying the church is protecting him from the fact that she "outed" Tom as a Scientologist and that the church broke up her relationship with her children. (Her letter to Tom was asking him to help her.)*

I don't know Ms. Bowers. I have never heard of her. Nor has anyone in my office. I have no idea what this is about except it is bizarre as nobody "outed" me as a Scientologist, and the implication that one would be "outed" as a Scientologist is insulting.

Finally, I have no idea why my religion, or anybody's, would be the subject of an article in PREMIERE and that is why I have refused to participate in any interview. These questions indicate my original feelings about this story were accurate. I have taken the time to answer your questions in such detail, so that there can be no question about their inaccuracies.

I make movies. And when PREMIERE wants to talk about the movies I make, I have been and will continue to be willing to discuss such at length.

But these questions indicate that a reporter is stuck on some preconceived notion as to what Scientology is or how it relates to people's lives. I have gained a lot from Scientology. I know what it is and how it can help people from my own personal involvement and study of the subject. Not one of these questions has anything to do with that. The reporter's angle is clear. The Church of Scientology doesn't run my life or career. By being asked to answer these questions I'm perceived as having to defend my religion or Church and by having to deny accusations a false negative impression is created. This is not what freedom of religion is about. My friends in the church don't regularly visit me on the set. But so what if they did? Years ago, a friend of mine sits at my table at a party and now it's an issue with PREMIERE?

I know the inference as I have seen it in other articles. The problem is it's wrong. This line of questioning shows a lack of interest in learning what the Church of Scientology represents. I know more about Scientology and the Church and its staff than any reporter I've ever met or whose articles I have read. I know the good work they do. I shouldn't be subjected to an inquiry on my religion. Likewise, my Church shouldn't be subjected to press disparagement because I'm a member.

My work speaks for itself. It's on the screen for everyone to see. And as far as PREMIERE is concerned that should be the end of the matter.

*Editor's note: PREMIERE presented this as an allegation. This question contains factual inaccuracies that have been corrected in the text of the article.

1) At a birthday party at DC3 David Miscavige and Paula Wagner sat at Tom's table. Is that true?

I never had a birthday party at DC3. A post-wedding party was given me by CAA, specifically my agent Paula Wagner and Mike Ovitz. Several hundred people were in attendance. At dinner I did sit with David Miscavige, in addition to Paula, Mike and at least 10 other individuals. What's the point?

2) He joined the church via Mimi Rogers. Is that true?

I became a Scientologist while married to Mimi Rogers. No, I didn't join the Church via Mimi or anyone else. My involvement in Scientology at that time was my own as it currently is. The question indicates some built in misunderstanding or intentional misconception as one doesn't "join the Church" as you must already know.

3) Scientologists regularly visit Tom on the set of his movies. Is that true?

No this isn't true. I am occasionally visited on the set by industry people, business associates and people who are all my friends. Some are Scientologists and some aren't. To ask me if I'm visited regularly is like asking a Catholic actor if he is visited regularly by Catholics. However, so as to have no misunderstanding, I assume the question is whether Scientologists who are Church staff or officials regularly visit me. The answer is no. As a matter of fact, during the shooting of my last three films, I was visited a total of one time during the shooting of one of these films by friends of mine who are also church staff. They saw me for about one hour over lunch.

I have heard this allegation before, indicating I have "handlers" and find it repulsive. I wish I could see my friends more often, but they are as busy as I am.

4) That Tom frequently spends weekends at a Scientology retreat at Gilman Hot Springs.

This is false. Although I have been there, I haven't EVER spent a "weekend" at the Scientology property (it isn't a "retreat") in Gilman Hot Springs. In the last 2 years or so, I only remember going to the Gilman Hot Springs location once, for a day and a half. And it was even in the middle of the week. My free time, what little I have, is spent with my family at home. And in any event, I have never spent time in any Scientology location for recreational purposes.

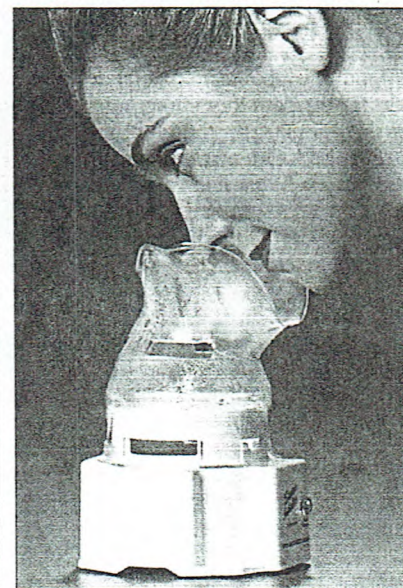
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[guests] as they went in and out—obvious harassment,” he says.

Farrell says he asked one of the pickets if he was a Scientologist, and the man said yes. In an effort to be fair, Farrell had lunch with Reverend Heber Jentzsch, president of the Church of Scientology International, and investigated Scientology's charges against CAN. The actor says he found them to be based on “sham, invective, and distortion.” Later, at a CAN convention near the L.A. airport, Farrell encountered more angry Scientologists. “Not only did they picket, but they sort of get in your face and give you this loud and incessant spiel that doesn't allow for dialogue—it's just a kind of attempt to intimidate.”

In the last few months Farrell has gotten numerous strange phone calls, one telling him (falsely, as it turned out) that an old friend had died. There have been so many that now when he gets calls after midnight at his home, he answers, “Hubbard was crazy.” Sometimes, he says, there's a long silence before the caller hangs up.

SCIENTOLOGY'S MEAN STREAK

is deeply rooted in church doctrine. Founded by pulp novelist Hubbard in the 1950s, Scientology promises to heal the psychic scars caused by traumas in present or past lives through auditing, a therapy aided by a simplified lie detector called an E-meter. Excited by the rapid progress stimulated by the E-meter, many students eagerly begin the climb “up the bridge,” course by course (costs range from \$30 for introductory audio tapes to more than \$14,000 for the Hubbard Key to Life/Life Orientation Course special package). According to former members and press reports, the few who attain the highest level of instruction learn the following secret theology: 75 million years ago a tyrant named Xenu imprisoned other aliens near volcanoes on Earth and then nuked them, leaving their spirits, or “thetans,” to wander the planet and attach themselves to humans—to be purged through further courses. While Scientology officials dispute this account of their beliefs—spokesman Rinder calls it “garbage, completely untrue”—they refuse to provide a more accurate version, saying upper-level church beliefs are for insiders only.

What distinguishes Scientology is Hubbard's bile and paranoia, which is clearly demonstrated in much of his writing. Representative is this “policy letter” written in 1969: “We must ourselves fight on a basis of total attrition of the enemy. So never get reasonable about him. Just go all the way in and obliterate him.” There are many other examples.

Furthermore, one of the central tenets of Scientology philosophy is that 20 percent of mankind is “suppressive,” a Scientology term that seems to mean “evil” and “meanspirited.” Of that 20 percent, Hubbard wrote, 2.5 percent are “truly dangerous.” Such people, Hubbard wrote, “should not have, in any thinking society, any civil rights of any kind. . . .”

As a consequence, Scientologists are always on the lookout for suppressives. “When we trace the cause of a failing business, we will inevitably discover somewhere in its ranks the antisocial personality hard at work,” Hubbard wrote—and to Scientologists Hubbard's writings are considered scripture. “Where life has become rough and is failing, a careful review of the area by a trained observer will detect one or more such personalities at work.”

As Cruise has told *Entertainment Weekly*, “I look at certain people that aren't doing well and say, ‘Well, who's around him? Do they want to see this person do well?’ And often I might find one person that really doesn't want to see this guy succeed.”

Hubbard left little doubt about how suppressives were to be treated.

Consider rule number twelve in Scientology's official code of honor: “Never fear to hurt another in a just cause.”

And Scientologists take their code of honor very seriously. “I remember having a choking anger against anyone who ever said anything against Scientology,” says actress Diana Canova (*Soap*), a former member. “I would get crazy. I was just so angry. I would have done anything for them.”

SOME OF SCIENTOLOGY'S MOST FERVENT EFFORTS seem to go toward preventing—or quashing—bad publicity. In 1990

Universal Pictures made a film with John Candy called *Delirious*, directed by Tom Mankiewicz and produced by Richard Donner, director of the *Lethal Weapon* series. In it, Emma Samms mused to her screen brother about Candy's “strange power” over her. “It's like I don't have a will of my own,” she said. “Do you think he's a Scientologist?” the brother asked.

“After the first rough cut Tom and I started getting letters and phone calls,” Donner says. “They were saccharine, but there was an underlying threat.”

“It was clearly orchestrated,” Mankiewicz recalls. “One letter to Dick, cc: Tom Mankiewicz. Then the next day, one to Tom Mankiewicz, cc: Dick Donner. Then two a day. They never stopped; they got worse. The tone got angrier, to the point of ‘How would you feel if he was a Jew?’”

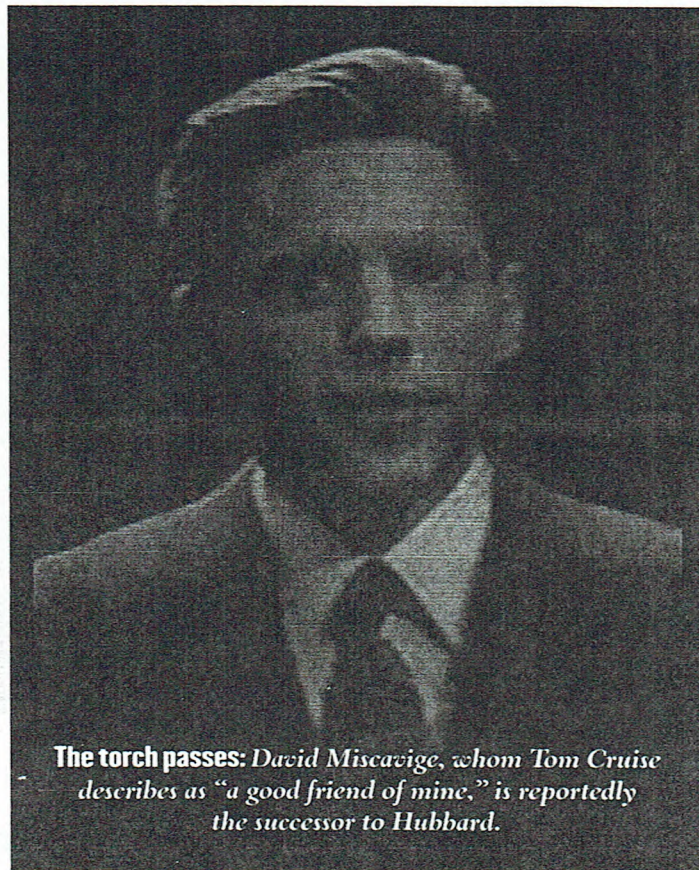
Donner has a few of the letters still in his files. “You may be aware of some of my books on films and the film industry,” one begins, “including *Directing the Film* and *Selling Your Film*. Also, I have been directing my own pictures for twenty years, including the upcoming PBS twelve-part series *Futures* featuring Jaime Escalante. I'm writing to you because

I've heard that in your new production, there is a reference to Scientology, my religion, which is derogatory.” The letter ends by invoking the names of Scientology celebrities: “I'm sure my colleagues—Kirstie Alley, John Travolta, Milton Katselas, Floyd Mutrux, Anne Archer, Chick Corea, and others—will join me in thanking you for taking this step on behalf of intellectual honesty. Sincerely, Eric Sherman.” The other letters are strikingly similar. One from Moe Howard's grandson Jeffrey Scott (who helped develop *Jim Henson's Muppet Babies*) begins with this introduction: “You do not know me directly, but indirectly I am responsible for approving the use of Three Stooges clips in your *Lethal Weapon* series. . . .”

“It finally got to be something really strange—they just wouldn't stop,” Mankiewicz says. And when he and Donner ignored the letters, there was concern about a lawsuit. “The lawyer said, ‘They have no case, but the chances are fifty-fifty they'll take you to court. How important is this to you?’”

Donner and Mankiewicz still stalled, testing the film, feeling “First Amendment outrage.” But gradually things began to escalate, initially with threatening, anonymous phone calls—“then Tom's house was broken into,” Donner recalls. “Nothing was taken, but things were moved around, drawers turned upside down. It was, like, ‘We can get into your house.’ He went to the police, told them about the threats, but there was no way of pinning it down.” Mankiewicz refuses to comment about either the threatening phone calls or the break-in, saying there was no evidence to link them to Scientology. But Donner and Mankiewicz decided to lose the gag.

“We all felt a little cheaper for having cut the line,” Mankiewicz says now. “It was such an innocuous little joke—a tiny pinprick. God help



The torch passes: David Miscavige, whom Tom Cruise describes as “a good friend of mine,” is reportedly the successor to Hubbard.

you if the Catholic church felt like that and you made *Sister Act*."

The *Delirious* campaign was not an isolated incident. When *L.A. Style* magazine ran a small item listing Scientology's Hollywood Boulevard Christmas display under the heading "Things We Hate," the magazine was the target of regular calls and visits from outraged Scientologists—for the next three months. "It was intimidating," says reporter Richard Natale. And recently, Scientologists picketed outside the Hollywood branch of the Jewish Federation, which runs a cult clinic. The head of the clinic, a woman named Corey Slavin, has been named in nine lawsuits brought by individual Scientologists—and therefore says that, on the advice of her lawyer, she cannot be quoted in this story. (Scientology leaders dismiss Slavin because she is a CAN board member.)

When *Time* magazine's Richard Behar wrote a highly critical story in 1991, calling Scientology the "cult of greed," Scientology sued not only *Time* but seven people who spoke to *Time*, as well as its own (former) PR firm, the company that owns the PR firm, even the CEO of the company that owns the PR firm. When *Reader's Digest* reprinted the article, Scientology sued the *Digest* in five countries. Scientology official Marty Rathbun denounces Behar as "a criminal of the lowest order" for referring people to the "kidnappers" at CAN. *L.A. Times* reporter Robert Welkos says that while he and colleague Joel Sappell were reporting their impressive 1991 series on Scientology, they were the targets of a variety of dirty tricks, including investigations by "three separate teams of private investigators" (Scientologists admit to only one) and a lawsuit for false imprisonment by a church paralegal that was later dropped. Former Scientologist Hana Whitfield wrote a letter to *PREMIERE* saying that after an interview with this magazine, she'd been followed by private detectives for three months, 24 hours a day. Rathbun and Jentzsch responded by calling Whitfield a CAN operative and an accomplice to a 30-year-old murder, a charge *PREMIERE* could find absolutely no evidence to support. "It's totally bogus," says Whitfield's lawyer, her voice trembling with outrage. "They know it's false."

THE ADS APPEAR REGULARLY IN *VARIETY* AND *THE Hollywood Reporter*: "Want to Make It in the Industry? Learn Human Communications Secrets in the Success Through Communications Course." "Can Toxins Destroy Creativity? Attend a Free Lecture." The ads rarely mention Scientology itself, instead steering readers to a place called Celebrity Centre International, a lavish multimillion-dollar training complex on Franklin Avenue in L.A. Restored with 1 million man-hours of labor to a rococo finish heavy on gold leaf and trompe l'oeil paintings, the CC offers elegant suites, luxurious theaters, and state-of-the-art music facilities. Love flows like warm maple syrup the minute a person walks in the door. Life there seems to be much like the CC's elegant restaurant: The food isn't much, but the service is great. During her seven years in Scientology, Canova experienced the Celebrity Centre from both sides of fame. "When I started, I wasn't in television yet. I was a nobody—I'd done some TV, but I was not one of the elite, not by a long shot—until I did *Soap*. Then it became . . . I mean, you really are treated like royalty."

Although current Scientology leaders insist the Celebrity Centre is nothing more than a clubhouse cum church for show-biz members, Hubbard himself was more straightforward: "The purpose of Celebrity

Centre is to: Forward the expansion and popularization of Scientology through the Arts."

Begun in the late '60s, the Celebrity Centre started in a rented building at 1809 West Eighth Street, with five or six staff members headed up by a charming Australian named Yvonne Gillham. One of the early converts was Bobby Lipton. At the time his sister Peggy was the hot star of *The Mod Squad*, and at the Celebrity Centre he definitely felt "the reflected glory—I was the brother of . . ." To alleviate the expense of taking courses, Lipton says he was pressured to proselytize—including to his sister. "Yeah, they were after her," he says.

Screenwriter-director Ernest Lehman was another early student, drawn to the group after directing Karen Black in *Portnoy's Complaint* and finding himself impressed at how imperturbable she was during tough spots in filming. At that time, the Celebrity Centre "was like the Friars Club, with cocktail parties, art exhibits," he recalls. "If you had nothing to do, you'd drop in. It was more of a social thing than anything else."

Lehman found the Scientologists refreshing. "It was nice being around a lot of people who felt it was bad form to be gloomy and self-absorbed," he recalls. "They were very cheerful, upbeat, which is not something you see much of in the film community."

Screenwriter Floyd Mutrux wandered into the Celebrity Centre in the early '70s after reading Hubbard. "I thought, this guy's writing is terrific, this might be it," Mutrux says. Still a Scientologist, he found auditing immediately useful: "I was able to find things that completely freed me from conceptions and concepts," he says. "I discovered points of view that were completely senior to any that I'd had before and took command."

Mutrux brought in producer Don Simpson. Then writing a screenplay, Simpson plunged into the tech. "I'm chagrined to say I almost went clear—did the E-meter, the whole thing," Simpson says.

Because Scientology helps people overcome doubt and ignore rejection, it is a belief system almost tailor-made for actors. "Before Dianetics [a philosophy of Hubbard's from which Scientology evolved], if people said negative things to me or about me, I would cave in easily," Travolta told *Celebrity* magazine. "Being a man, that wasn't a very appealing quality. Some people would say, 'The boy is too sensitive.' But many times I had suppressive people around me who would cave me in on purpose. I was sort of like a minefield."

By 1974 the Celebrity Centre was a lively concern. Everyone hustled to bring in the famous or the someday-to-be-famous. "A friend of mine I got in was Michael D. Roberts, who was on *Baretta*," says Ken Rose, who joined the CC staff that year and left in the late '80s. Beyond idealism, there was another strong motive to spread the word: "You get 15 percent of all the money your recruits spend in the church," Rose says. "There's nothing better than a rich selectee."

(Church officials say the maximum commission is 15 percent and is only for the specific course sold. They also say Rose is a CAN member. Since his interview with *PREMIERE*, Rose has left the country. He was unavailable for comment.)

"There was always pressure to get other celebrities in," agrees Canova. "Once I got a call from this guy at Celebrity Centre at 6 in the morning. He says, 'Diana, you've got to get over here to the hospital. Freddie Prinze has just shot himself.' I used to date Freddie. This guy is freaking out. 'You got to come over, and you got to get me in to see Freddie. If I can get in to see Freddie, I can save his life. I'll tell him to get back into

"I'D GET A CHOKING
ANGER AGAINST ANYONE
WHO SAID ANYTHING
AGAINST SCIENTOLOGY.
I'D GET CRAZY.
I WOULD HAVE DONE
ANYTHING FOR THEM."
—DIANA CANOVA

his body.' That was such a weird thing to me, the ultimate dissemination. Wouldn't it have been a coup—Scientology saves Freddie Prinze?"

"When I was a student at the Celebrity Centre," says Lisa Halverson, a former Scientologist who was with the Los Angeles church for fifteen years, "sometimes uniformed personnel would come into the course room and ask us to write down names of what they call in Scientology 'opinion leaders,' heavy hitters of some sort in whatever their sphere of activity might be—in business, politics, and arts and entertainment." It was common knowledge, she said, that the names would be put on a recruitment list.

Canova found the Scientologists straightforward in their desire for lucre. "The first time I walked in those doors, they said, 'Just give us all the money in your bank account. You'll get it back tenfold.'" When she joined, auditing prices were about \$25. "It went up to about \$175 in the early '80s," she recalls. "That was shocking to me. I was beginning to wonder, Is it really worth it? They're telling you, 'Don't spend \$100 an hour on a shrink's couch, it'll ruin your mind.' Auditing is so much better?"

One route to the Celebrity Centre is via acting teacher Milton Katselas. As Archer told *Celebrity* magazine: "I was having problems with my marriage, and my career wasn't going well, so one evening Milton said, 'You have six weeks to solve your problems.' I ended up at Celebrity Centre. I had enormous wins right away from the auditing. I feel my life broke open in the first six hours; it was just remarkable."

Cartwright also credits Katselas with getting her back into Scientology when she drifted away. "One day he invited me to a barbecue at his place, and I noticed that all eight of the people there had things in common," she said in *Celebrity*. "They were all Scientologists. They were all doing well in their careers, they had good relationships, and they all had Milton in common. To make a long story short, I made the decision to get back into Scientology because of these observations. I called up Gary Imhoff and went to the CC Int. I then started the Purification Rundown and my life took off completely."

Actor Peter Horton (*thirtysomething*) didn't respond in quite the same way. For him, Katselas's class "felt very controlling and, I guess, culty," he says. "In an acting class, there's a real tendency to build an image of a teacher as someone who can give them attention and love. So when someone comes along who happens to be a great acting coach—which Milton is; he's phenomenal—but actually has a connection with a system of self-help that verges on a cult, it's very easy for people to be manipulated."

In 1975, the Celebrity Centre landed Travolta, its biggest fish up to that time. "There was tremendous excitement about him," recalls Rose, who says for a time he was Travolta's case supervisor (Scientology officials deny it) and that the star was a jealously guarded church asset. "He's been very disaffected at times, and it took a great deal of work to get him back in," he says. "At one point, it was rumored that J.T. was gone, was no longer a Scientologist, and had made public statements. And then a bunch of people went and held his hand, and evidently he was gotten back in." Travolta seems to be solidly in the church now, having married fellow Scientologist Kelly Preston.

Romance and Scientologists seem to go hand in hand. Prior to marrying Travolta, Preston had lived with Charlie Sheen, reportedly the target of a Scientology recruitment attempt. (Sheen was sufficiently disturbed by his contact with his former girlfriend's religion that he refused an interview with *PREMIERE* but offered this quote: "I have no involvement in that form of silliness.") Cruise got in after marrying Mimi Rogers, and Brad Pitt took his courses while dating Juliette Lewis. This seems to be something of a tradition. As Rose describes the early Celebrity Centre, there were always "a lot of women around. It was probably a great draw in those days, for my generation of Scientologists—it was a great place to get laid."

Hollywood producer Jim Jacks says one night when he was depressed over the collapse of a relationship, he was approached by a show-biz friend in Scientology. "It will solve your woman problem," Jacks recalls his friend saying. "I think he was just trying to help, but I wasn't interested."

BREAKING UP WITH SCIENTOLOGY CAN BE VERY HARD TO DO. "It took me years before I decided to quit," says Canova. "I guess finally I was so fed up with being afraid. You've heard all these horror stories... I believed them."

"The party was over for me in 1971," Bobby Lipton says. "I remem-

ber going to a rally at the Shrine or some big hall, at a time when the press was first starting to get after them, and there were people marching around with banners and signs and screaming about getting the press. It was kind of scary, talking about targeting different people. I thought, gee, this isn't what it was about."

But when he tried to leave soon after, Lipton was accused of telling the secrets of Scientology's upper-level courses to outsiders. "The last thing they said to me is, 'If you did reveal them, you are going to die,'" he recalls. "I don't think they said 'die,' but that's the inference I took. I said, 'Is that a threat?' I think he said, 'Take it any way you want.'"

Simpson says he lost interest after spending \$25,000 on Scientology courses without seeing much improvement. "I had a meeting with Yvonne [Gillham], and I said, 'I've now almost gone clear, why aren't I happier?'" he recalls. "She said, 'Things will be okay when you go through OT3 [a higher-level course].'" At that point I realized it was a con." But when he left, he took a warning with him. "Heber Jentzsch called me into the Guardian's Office and implied that I was making a grave error," Simpson says. "The implication that I took away was that I would be on their enemies list."

Jentzsch says it is an "absolute lie" that he threatened Simpson in any way and says that Simpson was bounced for ethics violations he could not reveal because of his "privilege as a minister."

THE LEADERS OF SCIENTOLOGY INSIST THAT MUCH of the organization's bad press comes from psychiatrists who are angry that Scientology is encroaching on their turf. They point to their fights against psychiatry and drug abuse as evidence of a beneficent side of the religion that the press ignores. "We're helping celebrities," says Jentzsch. "We service them—to be more capable, to be more ethical, to be more able.... Scientology celebrities are successful, and they're not messed up! They're not messed up!"

"There's a long list of celebrities who have been devastated by psychiatric activities and psychiatric assault," Jentzsch continues, citing the case of Frances Farmer: "Psychiatrists would take her out and use her for big parties, sex parties, and stuff like that."

PREMIERE checked into this: According to William Arnold's heart-wrenching book on Farmer, *Shadowland*, it does seem that *orderlies* at a Seattle mental institution allowed soldiers to have sex with her—but then we noticed that Arnold's list of acknowledgments makes special mention of the emotional and research support he got from Heber Jentzsch and the Citizens Commission on Human Rights. He doesn't mention their connection to Scientology.

But the Scientologists have other good press they can point to. During an interview, they proudly cited this quote Rob Reiner gave to *GQ*: "I don't know anything about Scientology, but if Scientology means you're the way Tom Cruise is, then everyone should be a Scientologist."

Perhaps. Maybe Scientology has emerged from its dark past. But if that's true, then why the use of intimidating private detectives, why the ugly attempts to smear their critics, why the barrage of legal threats, why the badgering by belligerent Scientology officials who fight over the simplest questions? There is a meanspiritedness so pervasive that we finally became convinced that when they can't discourage it altogether, Scientology leaders want bad press, the better to justify their own vindictive gospel.

Now when we call Bowers, we wonder if someone, somewhere, is listening. She has moved to another city, and we worry that her address will slip through our fingers and into the fingers of Scientologists. And we listen to Canova when she warns us: "They're capable of doing a lot of things."

Like many of the people quoted in this article, all of whom are well aware that people who were interviewed by *Time* are currently being sued, Canova says she spoke up because she thought it was important. "I see some of my friends having to keep their mouths shut for personal reasons, for business reasons," she says. "I don't believe that's right. If it's going to be termed a religion, or a church, then those kinds of fears have no business being there. Nobody should be afraid. And you can quote me on that."

Senior writer John H. Richardson's novel, *The Blue Screen*, which is currently being serialized in *PREMIERE*, will be published by William Morrow in the spring.



Scientology Responds

Last month we published an article by PREMIERE senior writer John H. Richardson that carefully examined the growing influence of Scientology in Hollywood. The Church vehemently protested the article, and we have given David Miscavige, the head of the Church, the right of reply. —Ed.

IT IS AN UNFORTUNATE FACT THAT late in the 20th century, I find myself defending my religion between these covers. It is, however, a necessity, for if truth is not presented, then untruths become accepted as fact.

It's a simple fact that prominence generates media coverage and, in turn, media coverage generates even greater visibility. But an inherent tension underlies that situation. The press lives on controversy. In fact, the media need controversy the way that people need oxygen, and since survival depends upon that basic need being met, there is no guarantee that any reporter will write the pure and simple truth about anything. That has certainly been the case with Scientology.

This is not just my opinion. Tom Maurstad in *The Dallas Morning News* said the recent PREMIERE article on Scientology ["Catch a Rising Star," September] was "written in classic conspiracy-theory fashion—full of vague, threat-filled innuendo." He also noted that "unsubstantiated rumors are treated as authoritative" and "normal facts are presented as abnormal."

PREMIERE's prejudice against my religion is so transparent that, substituting Judaism for Scientology in the lead paragraph of the article, PREMIERE would find it somehow sinister that at a party celebrating the marriage of a Jewish couple, there "were two full tables of Jews."

That sort of prejudice permeates the article.

Even when given the opportunity to find out what Scientology really is, PREMIERE chose not to. PREMIERE's writer had unparalleled access to top Church officials, conducting four days of interviews and tours of Church facilities. Yet he quotes only 77 of their words in his 8,700-word article, and even those were out-of-context responses to wild allegations. Instead, he relied on the words of people who were either never in the Church or had not been involved for years, some for two decades!

All manner of negatives have been written about Scientology by the media. Not one of them is new. A result of laziness, faulty research, or more vindictive motives, these misstatements of fact are invariably lifted from earlier stories, dusted off, sometimes reworded, and used again.

Yet in spite of this recycling of tired ideas, Scientology continues to grow. That's an undeniable fact. How can this be?

If one tenth of what has been written about Scientology in PREMIERE and elsewhere were true, Scientology wouldn't exist. Nobody

would be involved. Nobody would want to be. But that isn't the case. Scientology continues to grow, and it's that very growth that generates media interest in the first place.

It's only logical to assume, then, that there must be something more to Scientology than what is portrayed in the pages of the press.

That something more begins with L. Ron Hubbard, the founder of Dianetics and Scientology. The media, which can count among their faults the urge to simplify things to the point of incomprehensibility, also like to categorize people and things as part of this process. Yet Mr. Hubbard's accomplishments

best-seller lists 43 years after its publication with over 16 million copies sold.

But that's not all. He also developed the most successful drug rehabilitation program in the world, with the highest statistical rate of success, which in turn spawned what is now the biggest drug rehabilitation center in the world: Narconon.

Mr. Hubbard researched and discovered the technology of study that is successfully applied by millions today in thousands of schools in countries across the planet. Not just some quick reading system, his technology isolates the barriers to study and provides



LEFT TO RIGHT: DAVID MISCavige, CHAIRMAN OF THE BOARD OF RELIGIOUS TECHNOLOGY CENTER, HOLDER OF THE TRADEMARKS OF DIANETICS AND SCIENTOLOGY; THE CHURCH'S CELEBRITY CENTRE IN LOS ANGELES; L. RON HUBBARD, FOUNDER OF DIANETICS AND SCIENTOLOGY.

are so wide-ranging and so numerous that he defies simple categorization.

Mr. Hubbard not only developed Scientology; he was also a highly successful and popular writer. In the 1930s and 1940s, his name on the cover of a magazine virtually guaranteed increased circulation. His association with Hollywood goes back to the 1930s, when he wrote screenplays for Columbia Pictures' first big-screen serials, *The Secret of Treasure Island* and *The Adventures of Wild Bill Hickok*.

His prolific career as a writer spanned more than half a century, during which he produced over 800 written works in a variety of genres—which have sold more than 110 million copies in 31 different languages. In the 1980s alone, he had eleven consecutive *New York Times* best-sellers and, today, he still sells more books than most best-selling authors.

His greatest accomplishments, however, were his discovery and development of the technologies of Dianetics and Scientology, the research for which was financed by the success of his early writing. Dianetics gives a thorough understanding of the human mind, and Scientology offers a thorough understanding of the human spirit. *Dianetics: The Modern Science of Mental Health* is the number one best-selling self-help book of all time, still appearing on

methods to make true learning and comprehension possible.

L. Ron Hubbard also wrote an immensely popular nonreligious moral code: *The Way to Happiness*. It promotes 21 precepts based entirely on common sense. Mr. Hubbard wrote this code to fill a void, because no such moral code was previously available. Parents and teachers alike have applauded its value and utility. Literally tens of millions of copies have been distributed and used by people the world over.

Deplorable though it may be in view of these accomplishments, the fact that controversy exists about Scientology and L. Ron Hubbard is not unexpected. Since 1950, when *Dianetics* was first released, there have been thousands of new ideas about man. Most were never attacked. You've also never heard of them, because obscurity is the reward for insignificance. Every significant new idea in history—every idea that truly challenges the way we think—has been attacked.

When Galileo espoused the theory that the planets in our Solar System revolve around the Sun, he was ridiculed and placed under house arrest by the Catholic Church for the last eight years of his life. Later, when Harvey had the audacity to claim that arteries carry blood, not air, he also suffered derision from



the entrenched establishment of the day. And of course, Jesus Christ was nailed to a cross for his ideas and teachings. It is only the great ideas that generate controversy; it is only great thinkers who are the subject of sustained attacks.

PREMIERE made a point that L. Ron Hubbard was a "fiction writer who had founded a religion." The attempted swipe is obvious. But why stop there? He was also a barnstorming pilot, explorer, musician, Marine Corps drill sergeant, naval intelligence officer, photographer, press reporter, special officer of the L.A. Police Department, horticulturist, composer, radio broadcaster, balladeer, and more. He was even a master mariner, licensed to captain vessels upon the waters of any ocean.

The truth is that L. Ron Hubbard was a genius, ahead of his time and beyond simple categorization. And since the media are fixated on categories to fit preconceived ideas, they are generally unable to come to grips with Mr. Hubbard.

Finally, on top of all these accomplishments, Mr. Hubbard was a remarkably caring man whose humor, compassion, and insight deeply affected those around him. And yes, I do know better than those who write about him. I knew him personally; they didn't.

So just what is Scientology? Founded on the principles of the mind and life discovered by L. Ron Hubbard, it is a religion born of the nuclear age, and like its founder, it also defies quick and easy comparison or categorization.

In Scientology, a spirit is not something you possess, it is what you are. It is you. The basic tenet of Scientology is that man is an immortal spirit who has lived through a great many lifetimes and who has the potential for infinite survival. Although each person has a mind and a body, he or she is a spiritual being who is basically good, not evil. It is each person's past experiences, not his or her nature, that have led to evil deeds or diminished awareness and ability.

The central practice of Scientology—auditing—is a very unique form of personal counseling that helps an individual look at his own existence and improves his ability to confront what he is and where he is. Auditing offers the chance to embark on an adventure of self-discovery unlike any other.

Auditing is not similar to any other form of counseling and certainly cannot be compared with psychology or psychiatry, both of which attempt to enforce opinions through evaluation by the practitioner. Nor does it resemble in any way the gimmickry of those motivational fads that perennially pass through Hollywood, where you follow some guru's ideas or strategy, cross your fingers, and hope for the best.

Instead, Scientology provides a path that shows you how to find your own answers so you can think and solve your problems for yourself.

Some people have said they didn't achieve what they wanted from Scientology. They were free to leave and have done so. They travel their own path, while we continue to help those who do wish to participate. But isn't it a little much for a magazine to put my religion to the test of 100 percent satisfaction? What other religion could face and pass that test in these pages?

Without attempting to explain why this is so, PREMIERE makes the claim that Scientology is "making Hollywood its priority." This is false. (We also have large facilities in Florida. Does this mean our priority is beachgoers?) The only source for this allegation is the fact that many famous artists are Scientologists. That popularity is a reflection of the value of Scientology to these artists. Why cast aspersions upon it?

The fact is, the Church of Scientology's Celebrity Centre has catered to people in the arts for more than twenty years. It provides Scientology services similar to all our other churches in Los Angeles and cities across the world. Celebrity Centre offers a safe, peaceful, and private environment in which Hollywood artists and professionals can pursue their Scientology studies without distraction. We think other churches should accommodate their artists too.

As Mr. Hubbard said, "*A culture is only as great as its dreams, and its dreams are dreamed by artists.*"

In today's world, creative people are subject to attack because of their visibility. Standing right on the front lines, they set the standards and tone of society, and where they work to improve the culture we think they should be supported in their efforts. Celebrity Centre does precisely that. And in our rapidly deteriorating society, riddled with scandals, drugs, and moral decline, Celebrity Centre has even more relevance and appeal than when it was first established.

But there are also thousands of non-Scientologists who visit the Church's Celebrity Centre annually and utilize its facilities. It is a cultural and civic hub in the community. Their beautifully restored building with its magnificent grounds and facilities is much admired by all who visit. The only person I am aware of who ever toured Celebrity Centre and commented unfavorably about it is PREMIERE's reporter.

As for the Hollywood celebrities in Scientology, we don't really comment on them much. Certainly not as much as everybody else does. Our interest is in helping individuals, not using them. In fact, this is where PREMIERE first went off the rails. If using celebrities to hook people was our goal, we'd have had them lined up to be interviewed by PREMIERE. The opposite occurred—a fact nobody disputes.

You may find it unusual to be reading about Scientology in a movie magazine.

Well, so do I. It's strange enough that PREMIERE ran a story on a religion at all. To then challenge its beliefs and efficacy is shameful. Can you imagine an article on the Jews, requiring a response to defend the validity of their beliefs? Or on the Catholics, forcing them to defend the "scientifically impossible" virgin birth? And in a movie magazine, no less?

There are those who believe what they read in the media and then denigrate Scientology or don't want to be associated with us. Sadly, they don't really have any idea who we are or what we stand for. And they would probably be ashamed by their ignorance if they actually knew the truth.

Still, the test of any great innovation or philosophy is its endurance. After more than 40 years of relentless media attacks, Scientology is not only still here but its global presence has increased to more than 1,100 churches, missions, and groups in more than 75 countries that work to achieve the aims of Scientology: "*A civilization without insanity, without criminals, and without war, where the able can prosper and honest beings can have rights, and where man is free to rise to greater heights.*"

Having read this, do you feel you thoroughly understand all there is to know about Scientology?

Of course not.

Scientology is growing because it works. But don't take my word for it. You've heard enough "about" Scientology. Find out what it really is. Get a book on the subject by L. Ron Hubbard. Read it. Try it for yourself. And when it works for you, you'll know what the fuss is all about.

PREMIERE welcomes letters. Send them to: Letters Editor, PREMIERE, 1990 South Bundy Drive, Suite 250, Los Angeles, California 90025. Please include your name, address, and daytime telephone number. You may also fax your letter to 310-820-3192. Letters may be edited for length and clarity.

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We look forward to continuing our excellent service and high level of commitment to you.

January 21, 1994

Lawrence Wollersheim
121 High Street
Golden, CO 80403

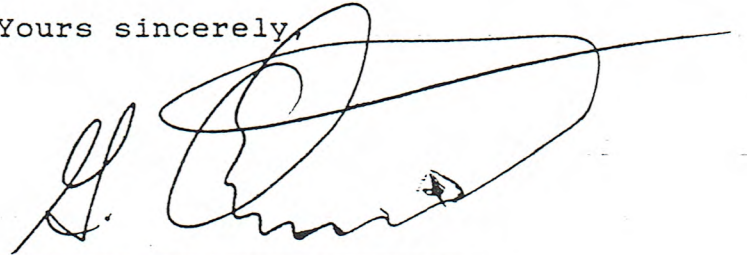
Via Fax (303)271-0863
and mail

Dear Lawrence:

In order to best support FACTNET and its humanitarian goals
I am by this letter resigning effective immediately as a Director
and as its President.

I wish you and your organization Godspeed.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Gerald Armstrong', written over a horizontal line.

Gerald Armstrong

Gerry Armstrong
715 Sir Francis Drake Boulevard
San Anselmo, CA 94960
(415)456-8450

Denied

GWT 3/4/7/95

Gerald Armstrong
715 Sir Francis Drake Boulevard
San Anselmo, California 94960
Telephone: 415-456-8450

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL,)	No. 157 680
a California not-for-profit)	
religious corporation,)	EX PARTE
Plaintiff,)	APPLICATION TO
vs.)	CONTINUE HEARINGS
GERALD ARMSTRONG; MICHAEL WALTON;)	ON MOTIONS FOR
THE GERALD ARMSTRONG CORPORATION)	SUMMARY ADJUDICATION
a California for-profit)	OF 20TH CAUSE OF
corporation; DOES 1 through 100,)	ACTION; AND 13TH,
inclusive,)	16TH, 17TH & 19TH
Defendants.)	CAUSES OF ACTION
	OF 2ND AMENDED
	COMPLAINT
	Date: 4/7/95
	Time: 9:30 a.m.
	Dept: One
	Trial Date: 5/18/95

TO: CHURCH OF SCIENTOLOGY INTERNATIONAL AND ITS ATTORNEYS OF
RECORD:

PLEASE TAKE NOTICE that on April 7, 1995 at 9:00 a.m., in Department 1 of the above-entitled Court, located at the Hall of Justice at the Marin County Civic Center, San Rafael, California, defendant Gerald Armstrong, in pro per, will seek an ex parte order continuing the hearing on plaintiff's motion for summary adjudication of the twentieth cause of action of its complaint presently set for April 21, 1995.

This ex parte application is based upon the following grounds:

1
2 A. There are key witnesses, whose testimony is or may
3 be dispositive of the pending motions, or causes of action or
4 parts of these motions, declarations from whom defendant has
5 been unable to obtain, but believes he can obtain such
6 declarations, one of which with the Court's assistance, within
7 the next week;

8 B. Defendant is in pro per and without financial
9 resources, has attempted diligently to obtain an attorney, and
10 believes that he will be successful within the next week;

11 C. Defendant is not an attorney, lacks an attorney's
12 knowledge and skills, but has, nevertheless, worked diligently
13 to prepare oppositions to plaintiff's motions.

14 D. Plaintiff's motions are massive, involve complex
15 legal issues, will set the stage and parameters for trial, and
16 if granted grounds will cripple defendant and destroy his
17 litigant's and human rights.

18 This ex parte application is based upon this notice, the
19 attached declaration of Gerald Armstrong, the Court's files
20 and records in this case and such other material as is
21 presented in support of this application.

22 DATED: April 7, 1995

23
24
25 By: 

26 Gerald Armstrong
27
28

1
2 DECLARATION OF GERALD ARMSTRONG

3 I, Gerald Armstrong, declare:

4 1. I am the defendant in this case. I am not an
5 attorney, not trained as an attorney, and do not have an
6 attorney's knowledge or skills. Until February 23, 1995 I was
7 represented by attorney Ford Greene.

8 2. On February 27, 1995 I received from plaintiff
9 Scientology organization its motion for summary adjudication
10 of its twentieth cause of action of its complaint.
11 Scientology's motions are massive, involve complex legal
12 issues, will set the stage and parameters for trial, and if
13 granted grounds will cripple me and destroy my litigant's and
14 human rights.

15 3. On March 10 this Court signed an order, for which I
16 am very grateful, granting an ex parte application which
17 extended by two weeks the time to oppose the above-described
18 motion for summary adjudication.

19 4. After the Court granted its first extension I was
20 ill for a two-week period. I lost a great deal of strength,
21 was incapacitated and unable to perform my usual work, or to
22 work in any effective way on the oppositions. I am gaining
23 back my strength, although I am not yet back to normal.

24 5. On March 17 Scientology served on me another motion
25 for summary adjudication, this of the 13th, 16th, 17th and
26 19th causes of action of the second amended complaint. This
27 motion seeks \$200,000.00 in liquidated damages.
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1
2 6. Scientology's motion for summary adjudication of the
3 20th cause of action and supporting documents is over six
4 inches thick. The second motion and supporting documents is
5 another two inches.

6 7. On March 29 this Court signed an order, for which I
7 am also grateful, granting an extension of one week to oppose
8 the two pending motions.

9 8. I have worked diligently to oppose Scientology's
10 motions. I have a direction for my oppositions which I
11 believe will be adequate and successful. I am not a typist,
12 and Scientology's separate statements of undisputed facts
13 alone required 80 pages. Adding in my separate statements of
14 disputed and undisputed facts brings this part of the work to
15 well over 100 pages. I have done research, and located and
16 communicated with all of the people whose testimony I require
17 by way of declaration to support my oppositions.

18 9. There remain four individuals from whom I requested
19 declarations, and whose testimony is either dispositive of one
20 or both of the pending motions, or of certain causes of action
21 or parts of the motions, or is an essential support for my
22 defenses to the causes of action, from whom I have been unable
23 to obtain declarations, but from whom I believe I will be able
24 to obtain declarations within the following week. I list
25 these four witnesses below.

26 10. Michael J. Flynn, Esquire. I have had a series of
27 conversations with Mr. Flynn in the past three days. He has
28

1
2 stated to me that he wants to help me and would provide a
3 declaration in support of my oppositions, except for the fact
4 that he believes if he does so Scientology will sue him and
5 again make him fair game. I am therefore requesting that this
6 Court order that Mr. Flynn be freed from any contract by which
7 Scientology prevents him from providing me a declaration, and
8 that Scientology be ordered to not retaliate against Mr. Flynn
9 in any way as a result of his providing such a declaration.

10 11. Mr. Flynn will testify that Scientology prior to and
11 during the time he was involved in litigation used the legal
12 system and force against perceived critics and targeted
13 "enemies" to eliminate ideas antithetical to its own, that
14 this went under the heading "fair game," and included the
15 concepts of "attack the attacker," and "black propaganda." He
16 will testify that Scientology swore to give up these practices
17 and begged for a settlement as a means of obtaining an
18 opportunity to prove that it had given up these practices. He
19 will testify that but for Scientology's promise that it was
20 giving up all fair game practices he would never have agreed
21 to sign, nor had me nor any other client agree to sign,
22 Scientology's settlement documents. He will testify that
23 depth of his and my principles and extent of dedication to the
24 truth is manifested by the successful litigation of the case
25 Scientology v. Armstrong, Los Angeles Superior Court No. C
26 420153. He will testify that intrinsic to the agreement was
27 the recognition that the Armstrong cross-complaint was about
28

1
2 to go to trial and that Scientology had substantial liability,
3 and the recognition that there had been a verdict of
4 \$30,000,000 against Scientology in the case of Wollersheim v.
5 Scientology, also in LA Superior Court within less than five
6 months of the December, 1986 settlement. He will testify that
7 he was the subject of fair game from 1979 through 1986, had
8 been sued fifteen times by Scientology, had been harassed
9 unmercifully, framed, threatened, his marriage ruined and his
10 family and career threatened, and that he was desperate to get
11 out of the fair game threat. He will testify that there were
12 no negotiations concerning the liquidated damages condition of
13 the settlement agreement, that there were no negotiations
14 involving me, and that he believed that, despite Scientology's
15 refusal to not include the condition, it was and is
16 unenforceable, and told Armstrong so at the time; that there
17 is no reasonable relationship between Scientology's actual
18 damages and the liquidated damages, and that the bargaining
19 power of the parties was completely lopsided in Scientology's
20 favor. He will testify that there was supposed to be a "clean
21 slate" and that if Scientology published anything about me
22 after the settlement I was free to respond to such post-
23 settlement statements.

24 12. I am therefore requesting this Court's assistance
25 and an order freeing Mr. Flynn and making it safe for him to
26 provide this key testimony.

27 13. Lawrence Wollersheim. Scientology seeks an order
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2 which reads in part: "within 20 days of the issuance of this
3 Order, Armstrong shall: 1. Remove all information concerning
4 Scientology, the Church and/or any person or entity referred
5 to in paragraph 1 of the "Mutual Release of All Claims and
6 Settlement Agreement" of December, 1986 from any and all
7 databases, electronic or otherwise, within the possession,
8 custody or control of FACTNet." Mr. Wollersheim is the
9 founder and manager of FACTNet, a cult abuse victims advocacy
10 organization which collects, preserves and makes available
11 information on groups and organizations which employ
12 sophisticated and dangerous techniques of mind control. He
13 will testify that I was not involved in FACTNet's management
14 or operations. He will testify that Scientology is seeking an
15 order allowing the removal and/or seizure of materials from a
16 public library and archive, that the described materials are
17 not those I provided and exceed by hundreds of times whatever
18 I provided to FACTNet, and that they are public domain
19 materials.

20 14. Mr. Wollersheim has not been available to provide a
21 declaration until recently, and because the order Scientology
22 seeks affects FACTNet, he requires time to obtain the legal
23 opinion of counsel before he can provide the needed
24 declaration, but will be able to do so this weekend.

25 15. Margery Wakefield. Scientology supports its motions
26 with a ruling in the Wakefield v. Scientology case. Ms.
27 Wakefield will testify as to how Scientology obtained a
28

1
2 settlement agreement with her similar to mine, what her
3 understanding of its meaning was, and circumstances which have
4 brought her, similarly to me, to again be a target of
5 Scientology's fair game. I have only recently located Ms.
6 Wakefield, have drafted a declaration for her and have her
7 promise to get it back to me over this weekend.

8 16. Witness #4. This person requests to not be
9 identified until a declaration has been provided. This
10 witness has been on a business trip and not available to
11 provide a declaration, but has promised such a declaration by
12 the beginning of next week. This person was key to the
13 actions I have taken which Scientology considers breaches of
14 its settlement agreement and which are the subject of its
15 pending motions. This person will testify as to circumstances
16 which precipitated and excuse my actions.

17 17. All of the people from whom I still require
18 declarations are out of state. I have only this week been
19 able to obtain a fax machine and that fact delayed my getting
20 drafts to the witnesses and getting declarations back.

21 18. From the time Mr. Greene substituted out I have
22 attempted to obtain competent counsel to represent me in this
23 litigation. I have now communicated substantively with
24 fifteen attorneys, each of whom has thus far declined to
25 represent me. I have also had communications with two
26 attorneys within the past week who are both interested in my
27 case and are both seriously considering helping in some
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1
2 manner, if not complete representation. I believe I will be
3 able to get at least one of these attorneys to commit if my
4 request herein is granted. I have also communicated with a
5 number of organizations which have an interest in the First
6 Amendment issues which my case presents and which may be able
7 to assist financially or with creating a public forum for and
8 focus on the case's issues, and this past week a description
9 of my case and needs was posted on the internet. I am
10 confident that help is on its way. An extension of one week
11 will also give me an opportunity have an attorney assist in my
12 oppositions or at least review my work, if I am able to obtain
13 legal help in the next two weeks. These summary adjudication
14 motions are extremely important and will set the stage and
15 guidelines for the May trial. Any attorney who might become
16 involved in my case would want to have as much input as
17 possible into what that stage and guidelines will be.

18 19. My request for an extension, therefore, is not
19 frivolous, but will promote justice by giving me the chance I
20 need to defend myself. Scientology will not be prejudiced in
21 any way if an extension is granted.

22 20. I am requesting that the hearing on the motion for
23 summary adjudication be set for April 28, 1995.

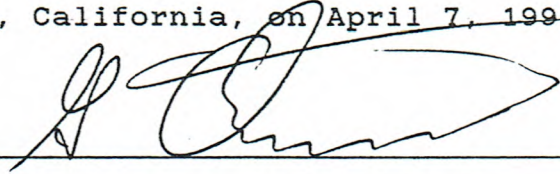
24 21. I advised Scientology attorney, Laurie Bartilson, in
25 person at 11:00 a.m. yesterday that I would seek a continuance
26 of the hearing date ex parte today if she would not agree to
27 such a continuance. I followed this up with a faxed letter, a
28

1
2 copy of which is appended hereto as Exhibit A.

3 22. I again ask for this Court's patience and mercy.

4 I declare under the penalty of perjury under the laws of
5 the State of California that the foregoing is true and
6 correct.

7 Executed at San Anselmo, California, on April 7, 1995.

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10 GERALD ARMSTRONG
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ORDER

GOOD CAUSE appearing therefor, it is hereby ORDERED that the hearing on plaintiff's motion for summary adjudication of the twentieth cause of action of the second amended complaint, and the hearing on plaintiff's motion for summary adjudication of the thirteenth, sixteenth, seventeenth and nineteenth causes of action of the second amended complaint shall be continued to 9:00 a.m. April 28, 1995.

IT IS FURTHER ORDERED that defendant's former attorney Michael J. Flynn be released by plaintiff from any contractual condition which prohibits him from providing defendant Gerald Armstrong with a declaration in support of his oppositions to plaintiff's summary adjudication motions, and that plaintiff and its agents shall not retaliate in any way against Mr. Flynn in any way for providing such declaration.

DATED:

Judge of the Superior Court

April 6, 1995

Laurie J. Bartilson, Esquire
Moxon & Bartilson
6255 Sunset Boulevard, Suite 2000
Los Angeles, CA 90028

By Fax (213)953-3351

Re: Scientology v. Armstrong
Marin County Superior Court
Case No. 157680

Dear Ms. Bartilson:

As we discussed this morning, I need and request another week to file my oppositions to the two pending summary adjudication motions; and as you refused my request I advised you I would seek another extension ex parte tomorrow morning from Judge Thomas.

The reasons I need an extension are:

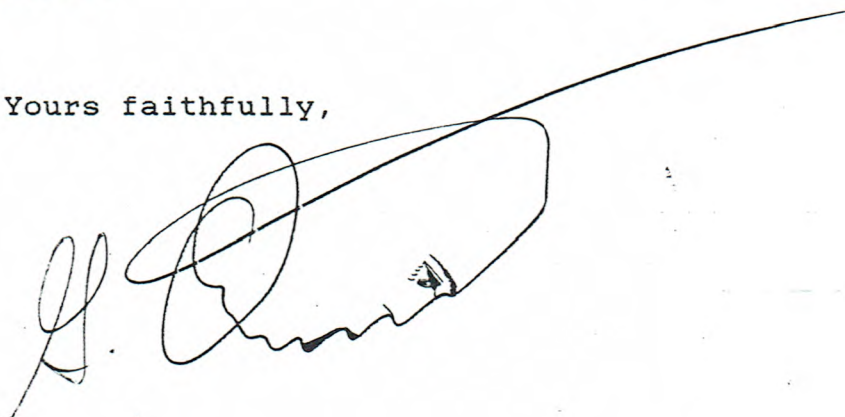
1. I have not received four needed declarations in support of my oppositions, and cannot get two of them (at least) until early next week.
2. Working as diligently as possible I have not been able to write and/or assemble all the documents needed. As you know I'm not an attorney, and simply don't have an attorney's knowledge or skills; nor the resources and equipment.
3. I have contacted and spoken with a great number of attorneys to obtain representation; and I believe, based on conversations in the past 48 hours, that I will be able to obtain legal help this weekend.
4. As you know, I was ill and incapacitated for the two weeks of the first extension Judge Thomas granted. My strength is not back to normal even yet.

Scientology won't be prejudiced if it grants me another week, which, as I stated, would be the last extension I would request.

Laurie J. Bartilson, Esquire
April 6, 1995
Page 2 /

In the happy event that you and your client find the kindness in your hearts to grant an extension, I'm also faxing a stipulation for your signature.

Yours faithfully,

A handwritten signature in dark ink, appearing to read "G. Armstrong", with a long, sweeping horizontal line extending from the end of the signature across the page.

Gerald Armstrong
715 Sir Francis Drake Boulevard
San Anselmo, CA 94960
Phone & Fax (415)456-8450

cc: Michael L. Walton, Esquire (by Fax)
cc: Andrew H. Wilson, Esquire (by Fax)

FOR IMMEDIATE RELEASE

Contact: Nancy O'Meara OR: Andrew Wilson
Church of Scientology Wilson, Ryan & Campilongo
International 415-391-3900
213-960-3500

JUDGE ORDERS MARIN COUNTY MAN TO PAY CHURCH OF SCIENTOLOGY
\$100,000 IN DAMAGES

FINES HIM AND HIS LAWYER FOR BAD FAITH TACTICS

Marin County -- Judge Gary Thomas of the Marin County Superior Court ordered Gerald Armstrong of San Anselmo to pay the plaintiff, the Church of Scientology International, \$100,000 in damages for breaking provisions of a 1986 settlement agreement he signed with the Church. The ruling, issued Friday, January 27, also sanctioned Armstrong and his lawyer, Ford Greene also of San Anselmo, for engaging in "bad faith" litigation and fined them \$700.

This is the latest in a string of legal wins for the Church against Armstrong who has been in and out of court since he stole more than 10,000 documents from the Church in 1982 including over 5,000 papers of Scientology founder L. Ron Hubbard.

In the agreement he signed in 1986 Armstrong promised to refrain from spreading falsehoods about the Church. According to documents filed in this case, Armstrong is accused of having knowingly violated that agreement on a number of occasions as early as 1991. The Church sued in 1992 after Armstrong repeatedly refused to abide by the contract he had signed. Judge Thomas' ruling was based on documents filed in support of the Church's charges and regarded two of the earliest reported breaches by Armstrong.

The Church's lawyers, Andrew Wilson (San Francisco) and Laurie Bartilson (Los Angeles) called the judgement "a complete legal and moral victory. It sends a message that you can't ignore your contractual obligations on a whim and that there's a price to pay for breaking promises. We hope this ruling will give Mr. Armstrong a message he will heed."

Armstrong conceivably faces more extensive liability in this litigation, as the Church has asserted 18 additional claims against him. These, too, arise out of his violations of the 1986 agreement according to the Church's lawsuit. The Church has also charged that Gerald Armstrong fraudulently transferred title of a house he owned in order to manufacture a poverty plea against the judgements now starting to be entered against him.

RECEIVED

JAN 31 1995

HUB LAW OFFICES

Church of Scientology

Office of Public Affairs



Ms. Carol Fracassa
Producer
Entertainment Television
5670 Wilshire Blvd.
Los Angeles California 90036
FAX 213 954-2621

August 5, 1993
cc: Tom Searson
News Director

Dear Ms. Fracassa,

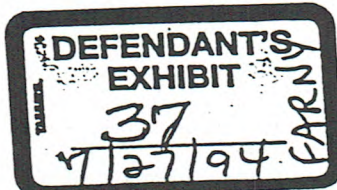
In our discussion yesterday you said that Mr. Armstrong had asserted that he had researched Mr. Hubbard's background, and then he had become disenchanted with what he found. I was surprised to hear that Armstrong is still trying to sell this falsehood to the press. You should know that in 1984 when quizzed in open court on his level of research on Mr. Hubbard's Naval records, Armstrong admitted that he had really done no research. When confronted in detail about this obvious egregious omission, his sheepish response was:

" So I stand corrected.."

Armstrong's admission shows that his "research" was unprofessional, and that it was based on bias. Add to this his subsequent bragging about creating and planting forged documents and it becomes obvious that he has no credibility as a source of truthful information concerning the Scientology faith or its founder. The fact that he admitted to you that his purpose in attacking Scientology celebrities is so that he can "sell his story to Hollywood" further makes the entire scenario of his involvement an anathema to honesty, and certainly discreditable as a source of any information on any religion.

He ~~has~~ no relation to art or to artists and has no history of being published anywhere - except, of course for the photo of himself, nude, hugging the globe of the world and promoting the idea that everyone should give away what money they have.

The documents are attached.



Sincerely,

Heber C. Jentzsch
Heber C. Jentzsch
President

FORD GREENE
LAWYER

HUB LAW OFFICES
711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CALIFORNIA 94960-1949
(415) 258-0360

LICENSE No. 107601
FACSIMILE (415) 456-5318

February 19, 1992

Laurie J. Bartilson
BOWLES & MOXON
6255 Sunset Boulevard, Suite 2000
Los Angeles, California 90028

RE: *Scientology v. Armstrong*
Marin County Superior Court
Case No. 152229

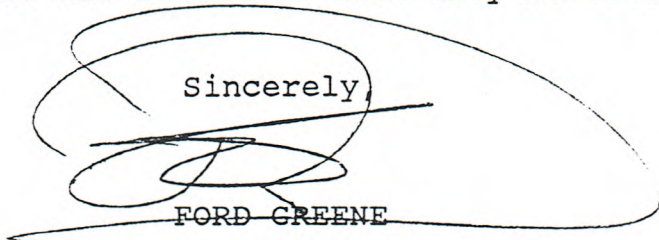
By Telecopier
B & M 213-662-6419
MJF 617-720-2709
C & B 818-883-2033
AHW 415-954-0938

Dear Ms. Bartilson:

The Scientology organization has based its complaint and its motion for preliminary injunction against Gerald Armstrong in large part on attorney Lawrence Heller's rendition of the settlement negotiations and interpretation of the settlement agreement. We are aware of the fact that Gerald Armstrong's attorneys, Michael Flynn, Bruce Bunch and Julia Dragojevic are specifically prohibited from giving a declaration to Armstrong which would refute Heller's allegations, as well as those of other organization attorneys.

We therefore request that you release each of Gerald Armstrong's former attorneys from such prohibition so that they can provide him with declarations and assist him in the above-referenced litigation. If we do not receive notice of such release by February 24, 1992, we will ask the Court for a ruling that Heller's and the organization's allegations concerning the settlement agreement are false and that they be stricken.

Sincerely,



FORD GREENE

:acg

cc: Gerald Armstrong
Michael J. Flynn, Esq.
Bruce Bunch, Esq.
Julia Dragojevic, Esq.
Andrew H. Wilson, Esq.

FORD GREENE
LAWYER

HUB LAW OFFICES
711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CALIFORNIA 94960-1949
(415) 258-0360

LICENSE No. 107601
FACSIMILE (415) 456-5318

February 24, 1992

LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard, Suite 2000
Los Angeles, California 90028

By Telecopier

RE: *Scientology v. Armstrong*
Marin County Superior Court
Case No. 152229

Dear Ms. Bartilson:

In its motion for preliminary injunction for breach of contract, the Scientology organization cites to and relies on Wakefield v. Church of Scientology of California, claiming that the Wakefield "settlement agreement contain[s] terms substantially similar to those which Armstrong has violated here." The organization moreover claims that "CSC has already successfully obtained injunctions and specific performance of settlement agreements containing similar provisions."

Our research has revealed that none of the "well over a dozen plaintiffs" involved in "the settlement negotiations" (see Heller declaration) was advised that the agreement was not reciprocal; i.e., that the organization could say whatever it wanted about the signing plaintiffs following the settlement but the signing plaintiffs must remain silent. Our research reveals, moreover, that signing plaintiffs were advised, as was Mr. Armstrong, by their attorney, Michael J. Flynn, that the settlement agreements "are not worth the paper they are printed on."

The issues of reciprocity of the settlement conditions and the advice of the "negotiating" attorney that the agreement conditions are unenforceable clearly affect the motion for preliminary injunction, and relate to the good or bad faith in which the motion has been brought.

We are aware of the fact that each of the "well over a dozen plaintiffs" is specifically prohibited from providing Mr. Armstrong with a declaration regarding the settlement agreement, its reciprocity, advice of unenforceability, other facts which would refute Heller's allegations concerning the settlement

LAURIE J. BARTILSON, ESQ.
February 24, 1992
Page 2.

By Telecopier

negotiations and results, and from providing Mr. Armstrong with copies of their "substantially similar" settlement agreements.

We therefore request that you release each of the plaintiffs involved in settlements with your organization from such prohibition so they can provide Mr. Armstrong with declarations and assist him in his defense of your charges. If we do not receive notice of such release by February 26, 1992, we will ask the Court for a ruling that all cites and references to other "substantially similar" settlement agreements be stricken, that the Armstrong settlement agreement was reciprocal, that the organization knew that it was unenforceable, and that Heller's representations to the contrary are false and that they be stricken.

Sincerely,

FORD GREENE

:acg

cc: Gerald Armstrong
Andrew H. Wilson, Esq.
Michael J. Flynn, Esq.
Julia Dragojevic, Esq.
Bruce Bunch, Esq.
Garry P. McMurry, Esq.
Walt Logan, Esq.
Nancy Dincalci
Kima Douglas
Michael Douglas
Robert Dardano
Warren Friske
William Franks
Laurel Sullivan
Edward Walters
Howard Schomer
Martin Samuels
Julie Christopherson
Nancy McLean
John McLean
Tonja Burden
Gabe Cazares
Margery Wakefield

BOWLES & MOXON
ATTORNEYS AT LAW
6255 SUNSET BOULEVARD
SUITE 2000
HOLLYWOOD, CALIFORNIA 90028

TIMOTHY BOWLES
ALSO ADMITTED OREGON
KENDRICK L. MOXON
ALSO ADMITTED WASH. DC
LAURIE J. BARTILSON
ALSO ADMITTED MASSACHUSETTS

(213) 661-4030
TELECOPIER (213) 662-6419

HELENA M. KOBRIN
ALSO ADMITTED FLORIDA
WILLIAM D. KATZ
OF COUNSEL
JEANNE M. CAVIGAN
MARCELLO M. DI MAURO
KAREN L. BROWN

March 2, 1992

BY TELEFAX AND U.S. MAIL

RECEIVED

MAR 5 1992

Ford Greene
Hub Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949

HUB LAW OFFICES

Re: Church of Scientology International v. Armstrong

Dear Mr. Greene:

I have received your letters of February 19 and 24 concerning the above-entitled matter, which purport simultaneously to acknowledge the validity and binding nature of the settlement agreement at issue in this case, and to disregard its provisions in the service of your client, Mr. Armstrong. Your letter of February 24, with its boast of "research" and mailings to others who peacefully settled their actions with CSI long ago, demonstrates dramatically the need for the requested preliminary injunction to issue forthwith.

In 1986, your client, represented by counsel, entered into a detailed, written and explicit settlement agreement. He initialed each page of the agreement, and signed the final page, as did his lawyer. If your comments are to be taken as true that Mr. Armstrong, at the time that he signed the agreement with CSI, in fact believed that the agreement was "not worth the paper that [it was] printed on," then he obviously and in fact perpetrated a serious fraud on CSI in an attempt to induce CSI to pay him money in exchange for a settlement which he had no intention of honoring. You can rest assured that this fraud will be properly dealt with by CSI and the courts, along with any additional violations of the terms of the settlement agreement either by Mr. Armstrong or by you as his agent.

If it is your claim that Mr. Flynn fraudulently induced your client into both signing a settlement agreement under false pretenses and defrauding CSI into paying him settlement funds, then that is a claim which Mr. Armstrong must make, if at all, against Mr. Flynn. Such an allegation does not negate Mr. Armstrong's contractual responsibilities vis a vis CSI, nor does it excuse Mr. Armstrong's breaches, particularly given the

Ford Greene
March 2, 1992
Page Two

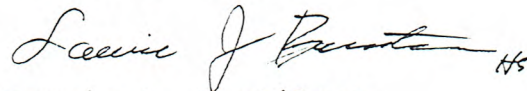
specific nature of the representations made by Mr. Armstrong on videotape at the time that he signed the contract.

I would also note in response to your letters that CSI does indeed rely on Wakefield v. Church of Scientology for the reported precedent which it sets. I must admit, however, that I find your interest in diverting the court's attention to the facts of that case puzzling indeed. As Ms. Wakefield's former counsel, you no doubt recall that, after the first day of the in camera proceedings, you appeared in court without your client, and announced that she had checked into a hospital because she was feeling suicidal. Your request for adjournment at that time was naturally granted. Later, however, your client appeared before the court and sought to have you removed as her counsel, claiming, in a sworn affidavit, that you had failed to prepare any witnesses to appear at the hearings on Ms. Wakefield's behalf; attempted to incarcerate her in a mental hospital against her will; engaged her in long, personal phone calls very late at night or early in the morning; attempted to have a sexual relationship with her; and generally acted "without competence" in your handling of her case. I understand that when you were informed of the affidavit and its contents, you asked leave to withdraw from the case, and leave was promptly granted by the court. If you feel that these facts are somehow relevant to Mr. Armstrong's defense, you are welcome to raise them with the court.

Finally, it is apparent from your letters that Mr. Armstrong has acknowledged that he signed the agreement, considers it binding, and has willfully breached its terms. In light of this, we request that Mr. Armstrong agree to the entry of the preliminary injunction as requested for the pendency of this matter. Please inform me no later than March 3, 1992, whether Mr. Armstrong will stipulate to the entry of the preliminary injunction.

Very truly yours,

BOWLES & MOXON

A handwritten signature in cursive script, reading "Laurie J. Bartilson", followed by a small mark that appears to be "HS".

Laurie J. Bartilson

LJB:mfh
cc: Andrew Wilson

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 56

HON. BRUCE R. GEERNAERT, JUDGE

CHURCH OF SCIENTOLOGY OF
CALIFORNIA,

PLAINTIFF,

VS.

GERALD ARMSTRONG,

DEFENDANT.

CASE NO. C 420 153

RECEIVED

JAN 31 1992

HUB LAW OFFICES

REPORTER'S TRANSCRIPT OF PROCEEDINGS

MONDAY, DECEMBER 23, 1991

APPEARANCES:

(SEE APPEARANCE PAGE.)

COPY

HERBERT CANNON, CSR NO. 1923
OFFICIAL REPORTER

1 THEY CONSIDERED TO BE APPROPRIATE FOR THE COURT ORDER AND
2 THEN I GO OVER THEM AND SAY IS THIS REALLY SOMETHING THAT
3 IS THE BUSINESS OF THE COURT TO BE ORDERING AND ENFORCING
4 WITH CONTEMPT OR NOT?

5 AND I MAKE SURE THAT IT IS THE KIND OF CLEAR
6 AND CONCISE ORDER THAT CAN BE THE SUBJECT OF A CONTEMPT
7 PROCEEDING. SO MY BELIEF IS JUDGE BRECKENRIDGE, BEING A VERY
8 CAREFUL JUDGE, FOLLOWS ABOUT THE SAME PRACTICE AND IF HE HAD
9 BEEN PRESENTED THAT WHOLE AGREEMENT AND IF HE HAD BEEN ASKED
10 TO ORDER ITS PERFORMANCE, HE WOULD HAVE DUG HIS FEET IN
11 BECAUSE THAT IS ONE OF THE -- I HAVE SEEN -- I CAN'T SAY --
12 I'LL SAY ONE OF THE MOST AMBIGUOUS, ONE-SIDED AGREEMENTS I
13 HAVE EVER READ. AND I WOULD NOT HAVE ORDERED THE ENFORCEMENT
14 OF HARDLY ANY OF THE TERMS HAD I BEEN ASKED TO, EVEN ON THE
15 THREAT THAT, OKAY, THE CASE IS NOT SETTLED.

16 I KNOW WE LIKE TO SETTLE CASES. BUT WE DON'T
17 WANT TO SETTLE CASES AND, IN EFFECT, PROSTRATE THE COURT
18 SYSTEM INTO MAKING AN ORDER WHICH IS NOT FAIR OR IN THE
19 PUBLIC INTEREST.

20 SO BASICALLY, I HAVE TO CONCLUDE BASED ON THE
21 RECORD THAT THERE WAS NO ORDER; SIMPLY, HE WASN'T PRESENTED
22 THE ORDER. HE WAS NOT ASKED TO ORDER ITS PERFORMANCE. HE
23 DIDN'T ORDER ITS PERFORMANCE.

24 THE FIRST TIME THAT WOULD BE DONE WOULD BE IN
25 RESPONSE TO YOUR MOTION AT THIS TIME.

26 MR. HERTZBERG: JUDGE, LET ME RESPOND TO THAT.

27 FIRST OF ALL, I THINK YOUR HONOR KNOWS WE ARE
28 NOT CLAIMING THAT JUDGE BRECKENRIDGE SO ORDERED THE TERMS

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 56

HON. BRUCE R. GEERNAERT, JUDGE

CHURCH OF SCIENTOLOGY OF
CALIFORNIA,

PLAINTIFF,

VS.

GERALD ARMSTRONG,

DEFENDANT.

CASE NO. C 420 153

REPORTER'S CERTIFICATE

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

SS

I, HERBERT CANNON, OFFICIAL REPORTER OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES, DO HEREBY CERTIFY THAT THE FOREGOING PAGES, 1 THROUGH 77, COMPRISE A TRUE AND CORRECT TRANSCRIPT OF THE PROCEEDINGS HELD IN THE ABOVE-ENTITLED MATTER ON DECEMBER 23, 1991.

DATED THIS 6TH DAY OF JANUARY, 1992.


OFFICIAL REPORTER

CSR NO. 1923

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF MARIN

---oOo---

COPY

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1
through 25, inclusive,

Defendants.

AND RELATED CROSS-ACTION.

NO. 152-229

DEPOSITION OF:

MICHAEL DOUGLAS

VOLUME I - AUGUST 30, 1994 - PAGES 1-53

VOLUME II - SEPTEMBER 2, 1994 - PAGES 54-164

Reported by:
PENNY L. GILMORE
CSR NO. 4724

PENNY L. GILMORE & ASSOCIATES
DEPOSITION REPORTERS
P.O. BOX 862
ROSS, CALIFORNIA 94957
(415) 457-7899

1 FRIDAY, SEPTEMBER 2, 1994

9:15 A.M.

2 ---o0o---

3 EXAMINATION RESUMED BY:

4 MR. GREENE: Back on the record.

5 Q. Good morning, Mr. Douglas, we're resuming your
6 deposition that we continued from Tuesday, whatever day
7 that was. I think it was the 29th. You are still under
8 oath and I'll proceed, I believe, where I left off.

9 A. You were just pointing towards the Settlement
10 Agreement.

11 Q. Okay, that's right.

12 Mr. Douglas, before you is Exhibit five from the
13 deposition of Nancy Rodes, which is the Settlement
14 Agreement, and I believe the pending question was whether
15 or not you had executed such a Settlement Agreement in
16 December of 1986. And I'm directing your attention to the
17 one executed by Nancy Rodes based on your representation
18 that the copy of yours went up in the Oakland fire of
19 October 20th, 1991.

20 A. I did execute such an Agreement at about the
21 same time.

22 Q. Were you paid something in the vicinity of \$7500
23 for it?

24 A. I believe it was exactly that amount.

25 Q. You didn't have any pending claim against

1 Scientology at that time, did you?

2 A. Correct.

3 Q. You didn't have any anticipation of bringing any
4 claim against Scientology at the time either, correct?

5 A. Correct.

6 Q. Are you familiar with the tenet of Scientology
7 having to do with suppressive persons?

8 A. Well, I'm not familiar with it but I know about
9 it, something about it.

10 Q. You knew about it during the course of your 12-
11 year involvement with Scientology, right?

12 A. Correct.

13 Q. A suppressive person is declared a suppressive
14 person at some point by Scientology if it's deemed
15 appropriate by the organization, right?

16 MR. WILSON: Objection, vague and ambiguous.
17 Assumes facts not in evidence.

18 MR. GREENE: Q. Based on your understanding,
19 based on your understanding and knowledge.

20 A. Correct.

21 Q. Such a declaration of suppressive person status
22 can result from someone who impedes the advancement of
23 Scientology, right, according to your understanding?

24 A. Could be, right.

25 Q. And according to your understanding somebody

1 could be declared a suppressive person if they impeded the
2 advancement of a particular Scientologist, right?

3 A. I believe so.

4 Q. With respect to your understanding of an
5 individual who is in Scientology that has some sort of
6 connection with a suppressive person, such connection
7 would make the person in Scientology be susceptible of
8 characterization as a PTS or potential trouble source
9 according to your understanding, right?

10 A. Correct.

11 Q. According to your understanding, someone who is
12 designated a potential trouble source can either handle
13 the difficulty they have in connection with the suppressive
14 person, right?

15 A. Correct.

16 Q. And according to your understanding, the person
17 who is a potential trouble source can disconnect from the
18 suppressive person, right?

19 A. Right.

20 Q. Those are really the only two choices according
21 to your understanding; is that right?

22 A. To the best of my recollection.

23 Q. Now if my recollection is right you indicated
24 that you joined the Sea Org the first year that you became
25 involved in Scientology; is that right?

1 A. Correct.

2 Q. And you continued to be a member of the Sea Org
3 through 1980 when you left, right?

4 A. Correct.

5 Q. During the course of the period of time when you
6 were in Scientology did you become familiar with something
7 known as fair game?

8 A. I did.

9 Q. Did you ever see a particular policy that was
10 generically known as the Policy of Fair Game?

11 A. I did.

12 MR. GREENE: I would like to mark this as next
13 in order.

14 MR. WILSON: I will object on the ground of
15 relevance.

16 MR. GREENE: The reason it is relevant is
17 because Lynn Farny testified specifically there was no
18 such thing.

19 MR. WILSON: No, he didn't testify that there
20 wasn't any such thing now.

21 MR. GREENE: Or then. He said there never has
22 been.

23 MR. WILSON: I'm going to assume -- I would like
24 a ruling. I would like to make the same objection to this
25 line of questioning I made in the last deposition. I

1 don't want to have to make it again.

2 MR. BENZ: I'll consider it a standing objection
3 and with the understanding it's overruled.

4 (Whereupon Defendant's Exhibit 5
5 was marked for identification.)

6 MR. GREENE: Q. Mr. Douglas, directing your
7 attention to what's been marked Exhibit number five, have
8 you seen a document like that before?

9 A. Something like this, yes.

10 Q. That was during the time that you were in
11 Scientology?

12 A. Yes.

13 Q. When you were in Scientology and you saw a
14 document that looked like Exhibit five is that what you
15 understood to be the Fair Game Policy?

16 A. This is not the document I was thinking of when
17 you questioned me just a moment ago. This document may
18 have been extant at the time I joined the Sea Org in 1968.
19 However, the enemy condition here specifies SP order and
20 fair game. That was not the practice as I understood it
21 at the time amongst the group that I worked in.

22 Q. At the time when you were involved in
23 Scientology did you understand that Fair Game Policy to
24 mean that somebody who was declared a suppressive person
25 and subject to fair game could be deprived of property or

1 injured by any means by any Scientologist without any
2 discipline by the Scientologist?

3 A. I did understand that was the policy in writing
4 and there was the possibility of that being applied.

5 Q. Did you also understand that there was the
6 possibility that what could be applied is a person who was
7 a suppressive person could be tricked, sued or lied to or
8 destroyed?

9 A. I understood that that was written in policy.

10 Q. Now your concern with respect to testifying
11 regarding these matters is that it could have an adverse
12 effect on your sister who is a Scientologist, right?

13 A. Would you repeat?

14 Q. Your concern about giving testimony with respect
15 to suppressive person and with respect to fair game, as I
16 understood you from earlier this week to have, is based on
17 a concern that you have that in so doing the consequence
18 will adversely affect your relationship with your sister
19 who is a public Scientologist, right?

20 A. That is partially correct. That's not the whole
21 truth.

22 Q. What's the rest of the truth?

23 A. The rest of truth is I am wanting to be careful
24 about my testimony in that I don't want to say it in such
25 a way it will be misconstrued because I have no wish to

1 whether it goes to the interpretation -- well, the
2 interpretation of the Agreement is legitimate, but...

3 MR. GREENE: That's what it goes to.

4 MR. BENZ: I'm still going to sustain the
5 objection.

6 MR. GREENE: Q. At the time that you signed the
7 Settlement Agreement in 1986 you were not represented by
8 Michael Flynn, were you?

9 A. I'm not sure about that. I'm not sure of all
10 what goes into legal representation, what constitutes it,
11 et cetera. I'm not sure whether he represented me or not.
12 He may have, may not have.

13 Q. You never hired him to represent you?

14 A. To the best of my recollection I did not.

15 Q. In early December 1986 you never had any
16 discussions with Michael Flynn that you can recall
17 regarding the 50,000-dollar damages provision that would
18 apply if you mentioned Scientology to anyone aside from
19 those in your immediate family, did you?

20 A. I may have had discussions like that. I mean, a
21 50,000-dollar hit, especially at that time, would have
22 been sort of daunting to me and I would sort of like to
23 know about it and have some sort of understanding. I did
24 have discussions with Flynn, talked to him physically and
25 that may have been a subject of our conversation.

1 CERTIFICATE OF DEPOSITION OFFICER

2
3 I, PENNY L. GILMORE, duly authorized to
4 administer oaths pursuant to Section 8211 of the
5 California Code of Civil Procedure, do hereby certify
6 that MICHAEL DOUGLAS, the witness in the foregoing
7 deposition, was by me duly sworn to testify the truth, the
8 whole truth and nothing but the truth in the
9 within-entitled cause; that said deposition was taken at
10 the time and place herein stated, that the testimony of
11 said witness was reported by me, a Certified Shorthand
12 Reporter and a disinterested person, and was thereafter
13 transcribed into computer-assisted transcription under my
14 direction.

15 I futher certify that I am not of counsel or
16 attorney for either or any of the parties in the foregoing
17 depositeon and caption named, nor in any way interested in
18 the outcome of the cause named in said caption.

19 IN WITNESS WHEREOF, I have hereunto set my hand
20 this 3rd day of October 1994.

21
22 DEPOSITION OFFICER, CSR NO. 4724

23 I hereby certify this copy is a
24 true and exact copy of the
25 Original.

Penny L. Gilmore
DEPOSITION OFFICER, CSR NO. 4724

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

---oOo---

COPY

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1
through 25, inclusive,

Defendants.

AND RELATED CROSS-ACTION.

NO. 152-229

DEPOSITION OF:

NANCY RODES

Tuesday, August 30, 1994

Reported by:
PENNY L. GILMORE
CSR NO. 4724

PENNY L. GILMORE & ASSOCIATES
DEPOSITION REPORTERS
P.O. BOX 862
ROSS, CALIFORNIA 94957
(415) 457-7899

1 MR. GREENE: I'd like to mark this next as
2 number three.

3 (Whereupon Defendants' Exhibit 3
4 was marked for identification.)

5 MR. GREENE: Q. Okay, Nancy, if you would look
6 at Exhibit three there that the Court Reporter has just
7 passed to you and take a few moments to review that
8 document, please.

9 A. Yes.

10 Q. Are you familiar with Exhibit three?

11 A. Yes.

12 Q. You have seen that document before?

13 A. Yes.

14 Q. On page five, which is the second from the last
15 page, there's a row of signatures and your former married
16 name appears at the top of the signature line and date to
17 its right. Do you see that?

18 A. Yes.

19 Q. Is that your signature?

20 A. Yes.

21 Q. Do you recall signing Exhibit three?

22 A. Yes.

23 Q. Do you recall signing Exhibit three on December
24 5th, 1986?

25 A. Yes.

1 and I asked to have my money returned. I demanded they
2 return my money and they did within a period of I believe
3 several weeks.

4 Q. Directing your attention to Exhibit three, which
5 is what's in front of you, page two of it --

6 A. I'm sorry, page three? Page two, you just said.

7 Q. You are at the top of the list there with an
8 amount of \$7500 after your name?

9 A. Yes.

10 Q. Did you receive \$7500?

11 A. Yes, I did.

12 Q. What was that \$7500 for? Strike that, let me
13 ask you this way: That \$7500 was not for any money that
14 you felt Scientology owed to you, was it?

15 A. No, it was not.

16 Q. In fact, Scientology didn't owe you in your mind
17 anything as of December 1986, did it?

18 A. Well, I had no intention of making a claim
19 against Scientology. There was not a clear-cut issue of
20 the Church of Scientology owing me anything. If I looked
21 at it I'm sure there are issues of being underpaid and not
22 having Social Security payments and, you know, like that.
23 I could have, I certainly could make a case that the
24 Church of Scientology owed me something but I didn't. I
25 was not considering making a claim for that at the time.

1 Q. Did you have any understanding as of early or as
2 of December 1986 of a concept called a statute of
3 limitations?

4 A. I'm aware there is a statute of limitations.

5 Q. Did you have any understanding --

6 A. And I was, that was your question, if I did, if
7 I had that understanding, yes.

8 Q. My next question with respect to the
9 understanding that you did have, was it your further
10 understanding that any claim that you may have had against
11 Scientology was barred by the statute of limitations?

12 A. I thought that to be the case.

13 Q. Now let's mark this as Exhibit four, please,
14 which is the subpoena.

15 (Whereupon Defendants' Exhibit 4
16 was marked for identification.)

17 MR. GREENE: Q. Nancy, Exhibit four is a
18 subpoena that's got your name on it. Is that what brought
19 you here today?

20 A. Yes, it is.

21 Q. The subpoena required that you bring certain
22 documents with you; was that your understanding?

23 A. Yes, it is.

24 Q. You have brought a certain document entitled
25 Mutual Release Agreement in response to that subpoena,

1 haven't you?

2 A. Yes.

3 Q. I would like to mark this as Exhibit five.

4 A. That will be returned to me, won't it?

5 Q. Yes, what we'll do is we'll make a copy. How
6 shall we do that?

7 Nancy, let me ask you, is this an original
8 document or a copy of a document according to your
9 understanding, proposed Exhibit five?

10 A. It's a copy.

11 Q. If we stamp this as an exhibit and return a copy
12 to you would that be adequate for you?

13 A. Yes.

14 Q. Then what I would like to do is mark this Mutual
15 Release Agreement now as Exhibit five.

16 (Whereupon Defendants' Exhibit 5
17 was marked for identification.)

18 MR. GREENE: Q. Now, directing your attention
19 to Exhibit five, would you -- first of all, do you
20 recognize that document?

21 A. Yes, I do.

22 Q. What do you recognize that document as being?

23 A. A Mutual Release Agreement which I signed.

24 Q. Did you receive \$7500 for having signed Exhibit
25 five?

1 A. Yes.

2 Q. That's the \$7500 that's referred to on page two
3 of Exhibit three, right?

4 A. Yes.

5 Q. Where were you when you signed Exhibit five?

6 A. Los Angeles.

7 Q. Did you sign Exhibit five at or about the same
8 time as you had signed Exhibit three?

9 A. Yes.

10 Q. At the time that you signed Exhibit five was it
11 your understanding that the \$7500 you were paid required
12 you to comply with the terms and conditions set forth in
13 Exhibit five?

14 A. Well, I had a conversation with Mr. Flynn,
15 Michael Flynn, in which I expressed serious reservations
16 about signing it. I felt like I was giving up my freedom
17 of speech and just normal rights and ability to function.
18 And Mr. Flynn basically indicated that he didn't feel that
19 that aspect of the Agreement would stand up because I was
20 very concerned about the idea of not being able to
21 communicate what was a part of my life what I believed to
22 be true. I actually felt like I didn't want to do it. I
23 had real reservations about doing it. I don't to this day
24 feel very good that I did that, to be honest. But I did
25 understand this Agreement. I realized that I was signing

1 it.

2 Q. Let me ask you some more questions about it. At
3 the time you signed the Agreement you weren't involved in
4 any litigation against the Church of Scientology, were
5 you?

6 A. No, I was not.

7 Q. You had not employed a lawyer to represent you
8 with respect to any litigation connected to Scientology,
9 right?

10 A. Right.

11 Q. At the time you signed the Agreement were you in
12 fact represented by any lawyer?

13 A. No.

14 Q. Prior to signing the Agreement you had testified
15 in the trial before Judge Breckenridge, right?

16 A. Correct.

17 Q. Do you recall during the course of the trial
18 testifying about when you wanted to leave Scientology in
19 1978?

20 A. Yes, I recall.

21 Q. Do you recall testifying about what happened to
22 you when you said that -- Strike that.

23 When you wanted to leave Scientology in 1978 did
24 you advise any other individuals in Scientology of your
25 desire to do so?

1 A. Well, the basis of my impression is that I
2 expressed misgivings and said I felt uncomfortable about
3 signing it and I wasn't really clear and sure I wanted to
4 sign such a statement.

5 Q. To whom did you say that?

6 A. Michael Flynn. And he kind of argued and made a
7 case for signing it. If it didn't matter to the whole
8 agreement then it would seem to me that he would let me
9 go: If you don't feel comfortable about signing it, don't
10 sign it.

11 Q. Did you tell him specifically that you didn't
12 want to sign it?

13 A. Well, I didn't say I do not want to sign this.
14 I said I really feel uncomfortable about this, it's like
15 giving up my freedom, you know, who I am as a person --
16 not who I am but an aspect of my life and my ability to
17 communicate.

18 Q. Do you recall Flynn's response to that?

19 A. Basically the whole thing, the troops need to go
20 home; it's hard; so many people, you know, and people's
21 psychological state was, you know, perhaps edgy and just
22 it had been such a long, drawn out ordeal; his whole life
23 had been turned upside down and it just needed to end,
24 kind of thing. And also it's not really enforceable; it's
25 not really -- no legal document can really take away your

1 rights.

2 Q. Let's talk about what the rights were that you
3 felt were hurt or at risk for being hurt if you signed
4 Exhibit five.

5 A. Well, I felt that my freedom of speech, my
6 freedom to express myself -- I didn't have any specific
7 plans to, you know, be interviewed or write a book or
8 anything like that, but you just don't know. And this was
9 stating in very broad general terms that I couldn't
10 discuss it and it felt like it would suppress my ability
11 to discuss something that had been a large part of my
12 life.

13 Q. Did you feel like that was going to be extremely
14 difficult to live by, not talking about something that had
15 been a big part of your life?

16 A. It didn't seem like it would be extremely
17 difficult to live by because it seemed like I said
18 whatever I had to say in the trial, and whatever. And I
19 didn't have so much to say, so much knowledge. And that
20 common sense just dictated that if I was in a close,
21 intimate relationship with somebody I would be able to say
22 I was in it. The thrust was primarily that I wouldn't go
23 to the news, the media, like that.

24 I thought as long as I'm low key, low profile
25 and they don't feel like I've attacked or didn't discredit

1 them, or whatever, the chances are there would be no
2 repercussions.

3 But I also had misgivings. Actually a major
4 part was I have a degree in psychology; I'm interested in
5 helping people and counseling people, and that was part of
6 the whole thing of why I was in Scientology. And I had a
7 couple of conversations with people who for some reason, I
8 don't even quite remember how it came about how I talked
9 to them, were trying to get out of Scientology and were
10 really troubled. And I felt that I could be helpful in
11 that situation. And I also didn't want to limit my
12 ability to do that. That was a part of it, not that I had
13 exact plans for that as a career, but...

14 Q. Did Mr. Flynn tell you that any portions of the
15 Agreement in his view were not legally enforceable?

16 A. My recollection is that he said something to the
17 effect -- at least it gave me the understanding that the
18 clause which prevented me from discussing or communicating
19 about my experience in Scientology would not be
20 enforceable.

21 Q. Do you recall Mr. Flynn telling -- Strike that.

22 Did you ask Mr. Flynn why he thought that?

23 A. I think I did but I can't recall his answer.
24 The conversation was kind of quick and hurried. I kind of
25 felt like I wanted a little more. It's like we're going

1 up in the elevator and I think that it had to do with the
2 idea that you cannot take away someone's basic
3 constitutional rights.

4 Q. That was the idea you got from Mr. Flynn?

5 A. Yes, and I think there was another legal point
6 that had to do with time, you know, the aspect of kind of
7 unlimited nature something of the clause.

8 Q. So let me ask you this: Did Mr. Flynn say
9 anything to you to the effect that it was his view that
10 the restrictions that are in this agreement would be
11 enforceable only if they were limited to a specific
12 duration of time?

13 A. I believe so.

14 Q. Did he tell you that it was his view that if
15 there was no time restriction with respect to the
16 provisions about being silent that those provisions
17 ultimately would not be enforceable?

18 A. I believe so, yeah, seems to me.

19 Q. Do you recall when you first saw Exhibit five
20 after your arrival in Los Angeles?

21 A. I can't recall the exact moment. I just have a
22 vague sense of being in a room in that hotel and being
23 given it. I'm sorry, I'm just not clear on this.

24 Q. Do you recall who gave it to you? Do you recall
25 whether there was just one other person in addition to you

1 in the room when the Agreement was first given to you?

2 A. I vaguely think that there were other people and
3 there were several of us who had -- I really don't recall,
4 really. It's a little bit fuzzy.

5 Q. Do you recall how much time passed from the
6 point when you were first handed the Agreement and the
7 point when you signed it?

8 A. I think that it happened that day and it was a
9 matter of hours, but as I --

10 MR. WILSON: I'm going to object to this line of
11 questioning on the basis of relevance. How much time
12 before she signed it, all these other things have nothing
13 to do with any defense Mr. Armstrong may have, which I
14 understand he has an affirmative defense that Mr. Flynn,
15 as his lawyer, didn't advise him correctly. Even if
16 that's true what happened with Ms. Rodes is not relevant
17 to that. And further, in order to show duress, the law is
18 pretty clear that duress is not the duress of some co-
19 party to the Agreement; it has to be duress of the
20 opposing party. None of this evidence has anything to do
21 with what the Church or Scientology or its lawyers did.
22 Therefore, it's all irrelevant.

23 MR. BENZ: Mr. Greene?

24 MR. GREENE: The relevance is it's part of the
25 general course of conduct that was employed by Michael

1 don't clearly remember whether that issue came up. I
2 don't think so. I don't think I had that understanding.

3 Q. Did anybody tell you prior to going to Los
4 Angeles that you would be required not to travel someplace
5 in order to be able to be served with a subpoena so as to
6 be able to testify?

7 A. No.

8 Q. Did anybody tell you that you would be
9 prohibited -- prior to going to Los Angeles, did anybody
10 tell you that you would be prohibited from assisting
11 anyone who ever was adverse to Scientology?

12 A. I don't believe so.

13 Q. Prior to going to Los Angeles were you told that
14 you would be expected to keep the terms of the Settlement
15 Agreement secret?

16 A. I don't think so. Not that I recall.

17 Q. Prior to going to Los Angeles did anybody tell
18 you that you would be expected to maintain strict
19 confidentiality, with the exception of members of your
20 immediate family, regarding disclosing your knowledge of
21 Scientology?

22 A. I don't think so.

23 Q. Prior to signing the Agreement did you read it?

24 A. Yes.

25 Q. After you read it was that when you had the

1 discussion with Michael Flynn going up in the elevator in
2 the hotel?

3 A. Yes.

4 Q. When you were going up the elevator with Michael
5 Flynn in the hotel was that the only opportunity you had
6 to discuss with Flynn the provisions of the Agreement?

7 A. I believe so. I think so, yes.

8 Q. Since signing the Agreement you have not ever
9 gone to the press, have you?

10 A. No.

11 Q. You have not ever testified voluntarily, which
12 means not being subpoenaed, have you?

13 A. No.

14 Q. But you have discussed with certain friends of
15 yours your experiences in Scientology, have you not?

16 A. Should I plead the Fifth Amendment or something?

17 Q. You are not charged with any criminal
18 proceeding; that's what the Fifth Amendment applies to.
19 Would you answer the question?

20 A. If I'm asked to answer something that they could
21 conceivably sue me and use this as evidence do I have to
22 say that?

23 Q. I'm afraid you do.

24 A. Really?

25 Q. Yes.

1 A. Yes, I discussed my experience in Scientology
2 with friends and people I am close to at times.

3 Q. Every time that you have done that have you
4 considered that you could be sued for \$50,000 for each
5 such conversation?

6 A. Well, I don't know that I considered it every
7 time I've done it, but there have been times that that
8 thought has crossed my mind.

9 Q. Did you, when you spoke with Mr. Flynn in Los
10 Angeles prior to signing the Agreement, have any
11 discussions with him whether or not the 50,000-dollar
12 penalty clause was fair and reasonable?

13 A. I don't recall any discussions about that
14 whatsoever.

15 Q. When you read the Agreement -- or strike that.
16 Upon completing reading the Agreement you didn't
17 really want to sign it, did you?

18 A. All other things, it didn't feel good to me to
19 sign it. It still to this day doesn't feel good. So, no,
20 I didn't really happily, with no reservations sign it.
21 But I made the decision to sign it. Nobody forced me to
22 sign it. I thought the whole settlement is happening,
23 it's good. I'm sure the \$7500 influenced my decision.
24 And I was mentally competent and aware and I did make the
25 decision to do it.

1 Q. To what extent did your decision to sign the
2 Agreement rely on Flynn's telling you that he thought that
3 the provisions with respect to maintaining silence were
4 not enforceable?

5 A. I would say that -- I would say that was
6 important to a fairly large extent.

7 Q. Did you have discussions with any other
8 signatories, any of the other people listed on Exhibit
9 number three prior to your signing the Agreement regarding
10 what you were going to sign?

11 A. About this Agreement?

12 Q. Yes.

13 A. So that day. I don't recall. I don't remember
14 doing so.

15 Q. After you signed the Agreement you didn't feel
16 free to talk with any of the other people listed on
17 Exhibit three about signing the Agreement, did you?

18 A. No.

19 Q. And you didn't have any such conversations, did
20 you?

21 A. I don't recall having any. You mean ever prior
22 to signing this Agreement did I have any discussion with
23 anybody else signing this Agreement?

24 Q. Regarding the Agreement.

25 A. I don't really remember. Seems like the only

1 contains no allegation that the Church of Scientology has
2 done anything that forces any beliefs on Gerry Armstrong,
3 and if that weren't enough, there's absolutely no
4 foundation for the question; there's no evidence that
5 there's been any use of the judicial system to force any
6 religious beliefs on anyone.

7 MR. GREENE: That's also the subject of a
8 summary judgment motion that's pending before Judge Thomas
9 right now.

10 MR. BENZ: In the first place, the witness
11 herself may object to it and decline to answer since it --
12 that would be up to her. I don't believe Scientology is
13 entitled to make the personal objection on behalf of the
14 witness if she decides to go ahead and answer.

15 Could you read that question back again, please?

16 (Whereupon the following question was

17 read back: "Did you have a belief in God
18 when you were a Scientologist?")

19 MR. BENZ: I'll sustain the objection on the
20 grounds whether or not there's a belief in God has nothing
21 to do with the actions of Scientology.

22 MR. GREENE: All right, I'll ask my next
23 question, then.

24 Q. My next question, Ms. Rodes, is when you were in
25 Scientology did Scientology allow for the belief in God?

1 MR. WILSON: Same objection.

2 MR. GREENE: That goes to the jurisprudence.

3 MR. BENZ: I'll overrule this objection because
4 the question relates to the action, the directive of
5 Scientology rather than the personal belief of the
6 Scientologist.

7 THE WITNESS: Scientology didn't allow for or
8 address the question of God.

9 MR. GREENE: Q. Did Scientology allow for a
10 belief in Jesus Christ when you were inside it?

11 MR. WILSON: Same objection. Irrelevant. I
12 don't see how this one could be relevant on the basis it's
13 discreditable facts. There are plenty of religions that
14 don't allow for the belief in Jesus Christ. I don't think
15 you could contend that that is somehow discreditable.

16 MR. WALTON: We're not talking public policy;
17 we're talking First Amendment.

18 MR. BENZ: I'll allow this one but we're getting
19 close to the end of the line.

20 THE WITNESS: I don't think it ever addressed or
21 allowed for a belief in Jesus, no, it did not.

22 MR. GREENE: Q. When you were in the Sea Org in
23 Scientology was it permissible to meditate?

24 MR. WILSON: Same objection.

25 MR. BENZ: I frankly don't see the relevance of

1 meditation, which is not necessarily connected with
2 religion and, therefore, not necessarily connected with
3 this. The objection is sustained.

4 MR. GREENE: Q. When you were in Scientology
5 was it permissible to consider a god as the source of
6 everything?

7 MR. WILSON: Same objection.

8 MR. BENZ: Overruled..

9 THE WITNESS: Was it permissible. That's a
10 very -- there was no stricture that said you were not
11 allowed to believe in God yet it was never addressed; it
12 wasn't encouraged. It just wasn't in the picture, and
13 if -- I suppose if somebody was a Scientologist and they
14 really got into talking about belief in God maybe -- I
15 don't know, it would probably be considered other
16 practices; it's not Scientology.

17 MR. GREENE: Q. If it were considered other
18 practices, how would other practices be treated by
19 Scientology according to your experience and knowledge
20 having been in it?

21 MR. WILSON: Objection. First of all, it's
22 irrelevant. Second of all, you are asking the witness to
23 speculate because what she said was it wasn't addressed
24 and she supposed if someone started talking about
25 believing in God then it might be considered other

1 practices. So we have a question that's based on
2 speculation of the witness at its foundation.

3 MR. GREENE: I think you are right. Let me
4 incorporate your objection and try it from this angle.

5 Q. What do you mean when you say "other practices"?

6 A. Well, in Scientology I would say that it's safe
7 to say that you more or less weren't allowed to engage in
8 other practices, and at least if you were it would be
9 considered something is wrong here and you had to
10 straighten out this person. You were either doing
11 Scientology and following its creed and code and its
12 processing or there was a problem.

13 Q. If there was a problem would the person with the
14 problem be subject to ethics consideration in Scientology?

15 A. I don't know, it depends. If they went to
16 Celebrity Center and gave The Church a lot of money they
17 probably would be left alone. If it seemed like it might
18 create a problem and Scientology might not have control
19 over that person because of that, then they would probably
20 try to handle them.

21 MR. WILSON: Objection, move to strike. Lack of
22 foundation. We have a witness, again, 13 years ago
23 testifying as to what happened. She referred to Celebrity
24 Center. That wasn't completed until several years ago.

25 THE WITNESS: Not true. Not accurate.

1 CERTIFICATE OF DEPOSITION OFFICER

2
3 I, PENNY L. GILMORE, duly authorized to
4 administer oaths pursuant to Section 8211 of the
5 California Code of Civil Procedure, do hereby certify
6 that NANCY RODES, the witness in the foregoing deposition,
7 was by me duly sworn to testify the truth, the whole truth
8 and nothing but the truth in the within-entitled cause;
9 that said deposition was taken at the time and place
10 herein stated, that the testimony of said witness was
11 reported by me, a Certified Shorthand Reporter and a
12 disinterested person, and was thereafter transcribed into
13 computer-assisted transcription under my direction.

14 I further certify that I am not of counsel or
15 attorney for either or any of the parties in the foregoing
16 deposition and caption named, nor in any way interested in
17 the outcome of the cause named in said caption.

18 IN WITNESS WHEREOF, I have hereunto set my hand
19 this 15th day of September 1994.
20

21 _____
DEPOSITION OFFICER, CSR NO. 4724

22 I hereby certify this copy is a
23 true and exact copy of the
Original.

24 *Penny L. Gilmore*
DEPOSITION OFFICER, CSR NO. 4724
25

MUTUAL RELEASE AGREEMENT

PFL DEFT EXHIBIT 5

WIT:

PENNY L. GILMORE, Reporter

8-30-94

1. This MUTUAL RELEASE AGREEMENT is made and entered into this 5th day of December, 1986 by and between NANCY DINCALCI (hereinafter "DINCALCI") and the Church of Scientology of California.

2. This is a release of the Church of Scientology of California, the Church of Scientology International, The Religious Technology Center, Author Services, Inc., and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel, L. Ron Hubbard, his heirs, estate, and his executor, Author's Family Trust, Mary Sue Hubbard, all Scientology organizations and entities and their officers, agents, employees, servants, directors, successors, assigns and legal counsel (all hereinafter collectively referred to as the "releasees").

3. It is understood that this settlement is a compromise of doubtful and disputed claims, and is not an admission of liability on the part of any party to this Agreement, specifically, the Church of Scientology of California, any other Scientology organization or entity, or any of their officers, agents, employees, servants, directors, successors, members, assigns, or legal counsel, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, DINCALCI acknowledges that she has released the organizations, individuals and entities listed in Paragraph 2 because, among other reasons, they are third party beneficiaries of this Agreement.



4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, DINCALCI does hereby release, acquit and forever discharge, for herself, her heirs, successors, executors, administrators and assigns, the Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel), L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor, Author's Family Trust, its beneficiaries and trustee, and Mary Sue Hubbard, and each of them, of and from any and all claims, demands, damages, actions and causes of action of every kind and nature, known or unknown, from the beginning of time to and including the date hereof.

5. For and in consideration of the mutual covenants, conditions and release contained herein, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, NANCY DINCALCI, her agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by NANCY DINCALCI from the beginning of time to and including the date hereof.

6. Further, the undersigned hereby agrees to the

following:

A. That liability for any claims is expressly denied by each party herein released, and this Agreement shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Each party agrees to assume responsibility for the payment of any attorneys' fees, lien or liens, imposed against him in the past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release.

C. DINCALCI has been fully advised and understands that any alleged injuries sustained by her are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, damages may be sustained by DINCALCI; nevertheless, DINCALCI desires by this document to forever and fully release the releasees. DINCALCI understands that by the execution of this release no claims arising out of her experience with, or actions by, the releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by her or on her behalf, against the releasees.

D. DINCALCI agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any

writing, or to broadcast, or to assist another to create, write, film or video tape or audio tape, any show, program or movie, concerning her experiences with the Church of Scientology, or personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard, or any entities and individuals listed in Paragraph 2 above. DINCALCI further agrees that she will maintain strict confidentiality and silence with respect to her experiences with the Church of Scientology and any knowledge or information she may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 2 above. DINCALCI expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited to, the contents or substance of any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 2 above. DINCALCI agrees that if the terms of this paragraph are breached by her, that the aggrieved party listed herein above would be entitled to liquidated damages in the amount of \$50,000 for each such breach. The reasonableness of the amount of such damages are hereto acknowledged by DINCALCI.

E. DINCALCI agrees to return to the Church of Scientology of California at the time of the consummation of this Agreement, all materials in her possession, custody or control of any nature, including documents as defined in Appendix "A" to this

Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology or any of the persons or entities listed in Paragraph 2 above, all evidence of any nature acquired for the purposes of any lawsuit or acquired for any other purpose concerning any Church of Scientology, any financial or administrative materials relating personally to L. Ron Hubbard, his family, or his estate.

F. DINCALCI agrees that she will never again seek or obtain spiritual counseling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or affiliated organization.

G. DINCALCI agrees that she will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 2 above. DINCALCI also agrees that she will not cooperate in any manner with any organizations aligned against Scientology.

H. DINCALCI agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 2 above unless compelled to do so by lawful subpoena or other lawful process. Unless required to do so by such subpoena, DINCALCI agrees not to discuss this litigation with anyone other than members of her immediate family. DINCALCI shall not make herself

amenable to service of any such subpoena in a manner which invalidates the intent of this provision. As provided hereinafter in Paragraph 21, the contents of this Agreement may not be disclosed.

I. DINCALCI hereby acknowledges and affirms that she is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that her ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

7. This Release Agreement contains the entire Agreement between the parties hereto, and the terms of this Release are contractual and not a mere recital. This Release may be amended only by a written instrument executed by the undersigned. The parties hereto have carefully read and understand the contents of this Release Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

8. DINCALCI agrees that she will not assist or advise anyone, including partnerships, associations or corporations, contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 2 of this Agreement.

9. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and all acts

required by the terms hereof to be undertaken and performed by any party.

10. The parties to this Agreement acknowledge that all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will.

11. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

12. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

13. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

14. In the event any provision hereof is unenforceable, such provision shall not affect the enforceability of any other provision hereof.

15. Each party warrants that it has received independent legal advice from its attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

16. The parties to this Agreement acknowledge that all parties have conducted sufficient deliberation and investigation, either personally or through other sources of

their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement.

17. The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party or of any officer, agent, employee, representative or attorney for the other party.

18. The parties to this Agreement agree that all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

19. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

20. Each party warrants that the persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

21. The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement.

22. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: 10.10.5, 1986

Nancy Dincalci
NANCY DINCALCI

APPROVED AS TO FORM AND
CONTENT

M. J. Flynn
MICHAEL J. FLYNN
Attorney for
NANCY DINCALCI

Dated: 12/5/86

CHURCH OF SCIENTOLOGY OF
CALIFORNIA

By: Kathleen Dorn

ML

Andrew H. Wilson, SBN #06320
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900
Telefax: (415) 954-0938

Michael Lee Hertzberg
740 Broadway, 5th Floor
New York, New York 10003
(212) 982-9870

Laurie J. Bartilson, SBN #139220
MOXON & BARTILSON
6255 Sunset Boulevard, Suite 2000
Hollywood, CA 90028
(213) 960-1936
Telefax: (213) 953-3351

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

RECEIVED

JAN 28 1995

HUB LAW OFFICES

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California not-for-profit
religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through 25,
inclusive,

Defendants.

) CASE NO. 157 680

) [CONSOLIDATED]

) DECLARATION OF KENNETH D.
) LONG IN SUPPORT OF
) PLAINTIFF'S REPLY IN SUPPORT
) OF MOTION FOR SUMMARY
) ADJUDICATION OF THE
) FOURTH, SIXTH AND ELEVENTH
) CAUSES OF ACTION OF
) PLAINTIFF'S SECOND AMENDED
) COMPLAINT

) DATE: January 27, 1995
) TIME: 9:00 a.m.
) DEPT: 1

) TRIAL DATE: May 18, 1995

1 I, KENNETH D. LONG, hereby state:

2 1. I am a staff member in the Legal Bureau of the Church of Scientology International,
3 in which I perform the functions of a paralegal. From 1980 through June, 1992, I was a staff
4 member of the Church of Scientology of California and worked as a paralegal in the Legal
5 Bureau of that Church.

6 2. Since August 1982, I have worked in a paralegal capacity on legal matters relating to
7 Gerald Armstrong. Through the course of this work, I have studied the documents pertaining to
8 legal matters involving Gerald Armstrong, have assisted counsel in the taking of depositions of
9 Gerald Armstrong, and have worked on cases and trials either directly involving Gerald
10 Armstrong or in which Armstrong testified. I am familiar with the proceedings in the case of
11 Church of Scientology vs. Gerald Armstrong, L.A.S.C. Case No. C420153. I am also familiar
12 with the press and media attention which Armstrong obtained prior to the settlement. Further, I
13 am familiar with the releases signed by Vicki and Richard Aznaran. It is based on the above
14 knowledge and experience that I make this declaration and if called upon to do so, I could and
15 would competently testify thereto.

16 3. At the time that the Aznarans signed release agreements, they were employees of a
17 Church-related entity, and had decided to leave that employment. They had not publicly
18 attacked any Church of Scientology, had not testified on behalf of any anti-Church litigant, and
19 were not themselves anti-Church litigants at the time that they signed the releases.

20 4. At the time the Church settled with Armstrong, Armstrong was both an anti-Church
21 litigant and a professional witness against the Church in other litigation. He was also a
22 paralegal who worked extensively on anti-Church cases, and a self-designated public relations
23 man who gave interviews to many reporters for sensationalist journals.

24 5. Prior to December 1986, Armstrong had testified in 15 cases, including his own, for
25 a total of 28 trial days, attacking the Church of Scientology and related entities and individuals.

26 6. Prior to December, 1986, Armstrong had been deposed for 19 days, and had executed
27 28 declarations in 15 cases, attacking the Church of Scientology and related entities and
28 individuals.

1 7. Before December, 1986 Armstrong appeared on more than 10 television and radio
2 programs, attacking the Church of Scientology and related entities and individuals. In October,
3 1986, Armstrong was interviewed at length on the television program 2020.

4 8. Before December, 1986, more than 76 stories about Armstrong appeared in United
5 States newspapers. In these articles, too, Armstrong attacked the Church and related entities and
6 individuals.

7 I declare under the penalty of perjury under the laws of the State of California that the
8 foregoing is true and correct.

9 Executed this 19th day of January, 1995, at Los Angeles, California.

10
11 
12 KENNETH D. LONG
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PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On January 20, 1995, I served the foregoing document described as DECLARATION OF KENNETH D. LONG IN SUPPORT OF PLAINTIFF'S REPLY IN SUPPORT OF MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT on interested parties in this action,

[] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [] the original [X] true copies thereof in sealed envelopes addressed as follows:

FORD GREENE
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

MICHAEL WALTON
700 Larkspur Landing Circle
Suite 120
Larkspur, CA 94939

[x] BY MAIL

[] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[x] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal

REVISED BYLAWS

OF

CHURCH OF SCIENTOLOGY INTERNATIONAL

20 May
Armstrong 3
PFL DEFY EXHIBIT
WIT: Toney
PENNY L. GILMORE, Reporter
7-12-94

(A Nonprofit Religious Corporation formed and operated
pursuant to the laws of the State of California)

PREAMBLE

The CHURCH OF SCIENTOLOGY INTERNATIONAL (hereinafter referred to as "the corporation"), an association of persons having incorporated exclusively for religious purposes under the laws of the State of California as the same relate to Nonprofit Religious Corporations, does by these Bylaws prescribe the manner in which and the officers and agents by whom such purposes shall be accomplished.

ARTICLE I

The Church

The corporation shall accomplish its purposes through and by means of the operations and activities of a church known as the "Church of Scientology International" and hereinafter referred to as "the Church".

The Church is the ecclesiastical "Mother Church" of the many churches within and without the United States which have been and will be organized for the purposes of the religion of Scientology, all bound together as elements of

one international and hierarchical church by voluntary and self determined agreement upon and adherence to the following:

1. The goals, tenets, doctrines, codes, Creed, policies and practices set forth in the Scriptures (as hereinafter defined); and

2. Recognition of the ecclesiastical authority of the hierarchy of the Mother Church; and

3. Governance in ecclesiastical matters by said hierarchy.

The Trustees, Directors, Officers and agents of the corporation shall be bound by and shall observe the foregoing to the end that the operations and activities of this corporation shall support and maintain the Church as a church of Scientology in good standing in accordance with the Scriptures; subject, however, at all times and in every respect to the paramount requirement of observance of and compliance with all applicable laws, and the provisions of the Articles and of these Bylaws.

ARTICLE II

Definition of Terms

As they are used in these Bylaws:

- a. "Articles" shall mean the Articles of Incorporation of this corporation filed on November 19, 1981, as may be amended from time to time.

b. "Bylaws" shall mean the code of rules prescribed herein, which are subordinate in authority to the corporation's Articles and which are to be used, adopted and recognized for the regulation and management of the affairs of the corporation;

c. "Religion of Scientology" and "Scientology" shall mean the religious doctrines, beliefs, tenets, practices, applied religious philosophy and technology for its application as developed by L. Ron Hubbard and as the same may hereafter be developed by L. Ron Hubbard.

d. "Scriptures" shall mean the writings and recorded spoken words of L. Ron Hubbard with respect to Scientology and organizations formed for the purposes thereof.

e. "Notice" shall mean written notice actually received by the prescribed recipient not less than three (3) days prior to the event of which notice is given, written notice actually delivered to the prescribed recipient not less than three (3) days prior to the event of which notice is given, or written notice mailed to the prescribed recipient of the notice, by first class mail, not less than five (5) days prior to the event of which notice is given.

f. "Mailed" shall mean deposited in the United States mail, postage prepaid, addressed according to the records of the corporation.

g. Unless the context in which they are used clearly requires otherwise, terms denoting number shall include both the singular and the plural; and terms denoting gender shall include all of the masculine, the feminine, and the neuter.

ARTICLE III

Purposes

Section 1. A Church of Scientology. The corporation shall espouse, present, propagate, practice, ensure and maintain the purity and integrity of, the religion of Scientology, as the same has been developed and may be further developed by L. Ron Hubbard to the end that any person desiring participation, or participating, in Scientology may derive the greatest possible good of increased awareness as an immortal spirit.

It is the belief of the Church that Scientology is the organization of the fundamentals of existence into axioms and workable technologies in the tradition of the exact sciences for resolving problems of life and thought and for the freedom of the human spirit. That he who asks a question is closest to the answer, that every question contains its own answer, and further that every problem contains its own solution, and that the technologies of Scientology are of such a nature that a person with a question or a problem may be spiritually assisted or guided to the end that the person is able to answer his own questions

and resolve his own problems. Scientology Technology is a body of truths and methods of application, developed by L. Ron Hubbard from his observations and research, which when correctly applied can reveal the soul of man, extend his knowledge of the Infinite Being to him, and make known what is knowable about God.

Believing that man's best evidence of God is the God he finds within himself, and trusting with enduring faith that the Author of the Universe intended life to thrive within it, the corporation is founded with the following general goals:

a. Establishment of a religious body and entity to promote, protect, administer and encourage the religion of Scientology and its goals;

b. Foundation, construction and use of a church, establishments, tutorial schools, parsonages, centers of training and other centers, for the teaching, dissemination and administration of the religion of Scientology, which aspires to the religious and ethical guidance and improvement of the individual character, and also to better and clarify the human spirit;

c. Publication and distribution of religious literature and other sectarian aids in order to propagate and disseminate Scientology; and

d. Establishment of religious cultural centers.

e. Minister to the spiritual needs of its staff and the clergy of Scientology Churches and Missions throughout the World through the conduct of religious services, both group and individual, and the provision of religious instruction to such persons and to Scientologists throughout the World.

Section 2. Mother Church. In addition to the foregoing, the Church, as the Mother Church, shall oversee and manage the ecclesiastical affairs of all other churches of Scientology to ensure and maintain the purity and integrity of the religion of Scientology. Further, the Church shall be responsible for the overall propagation of the religion of Scientology throughout the World and for the enforcement of the ecclesiastical tenets of the religion as set forth in the Scriptures. In managing the ecclesiastical affairs of all churches of Scientology, the Church shall have as its purpose the responsibility of keeping Scientology working (that is, getting the correct technology applied correctly).

ARTICLE IV

Creed

The Church subscribes, and its object is and purposes are that all of Mankind may subscribe to and practice the following Creed:

WE OF THE CHURCH BELIEVE:

That all men of whatever race, color or creed were created with equal rights.

That all men have inalienable rights to their own religious practices and their performance.

That all men have inalienable rights to their own lives.

That all men have inalienable rights to their sanity.

That all men have inalienable rights to their own defense.

That all men have inalienable rights to conceive, choose, assist and support their own organizations, churches and governments.

That all men have inalienable rights to think freely, to talk freely, to write freely their own opinions and to counter or utter or write upon the opinions of others.

That all men have inalienable rights to the creation of their own kind.

That the souls of men have the rights of men.

That the study of the mind and the healing of mentally caused ills should not be alienated from religion or condoned in nonreligious fields.

And that no agency less than God has the power to suspend or set aside these rights, overtly or covertly.

AND WE OF THE CHURCH BELIEVE:

That man is basically good.

That he is seeking to survive.

- That his survival depends upon himself and upon his fellows, and his attainment of brotherhood with the Universe.

AND WE OF THE CHURCH BELIEVE THAT THE LAWS OF GOD
FORBID MAN:

- To destroy his own kind
To destroy the sanity of another
To destroy or enslave another's soul
To destroy or reduce the survival of one's companions
or one's group.

AND WE OF THE CHURCH BELIEVE:

That the spirit can be saved and
That the spirit alone may save or heal the body.

ARTICLE V

Membership

Section 1. Classification. The corporation shall have no members. It shall instead have parishioners who shall not be entitled to vote.

Section 2. Purpose of Affiliation. The Church believes that a person participating in the spiritual exercises of the Church may profit to such an extent that the person may become aware of his spiritual nature, capable of self determination, self discipline and a realization of his creative abilities; thus ordinary problems of life should be easily resolved or be of little or no concern. Therefore, such a person would be better able to contribute to the welfare of his fellow man, Society and the Nation. Such a state of Beingness of Mankind is the goal of the Church.

The Church further believes that man's attainment of advanced levels of spiritual awareness frees the spirit from the mind and body giving the spirit immortality. This in turn will increase life and livingness while diminishing the influence of death or deathlike factors which act as stops and distractions to life.

During the term of affiliation with the Church, the parishioner shall agree to abide by the Creed, the Auditor's Code and the Scientology Code of Honor.

ARTICLE VI

Trustees

Section 1. Purpose. The sole purpose of the Board of Trustees shall be to elect Directors of the corporation. In furtherance of this purpose the Trustees may remove a Director who fails to meet the qualification of a Director or who conducts himself in a manner which is contrary to the provisions of Articles I through IV of these Bylaws and the survival of Scientology. In addition, the Trustees shall have the power to change the number of Trustees, as provided in Section 2 below.

Section 2. Number of Trustees. The authorized number of Trustees shall be five (5) until changed by a bylaw amending this Section 2 duly adopted by the unanimous vote of the Trustees; provided however that the Trustees shall not have the power to reduce the number of Trustees below five (5) or increase the number above seven (7).

Section 3. Qualifications. In order to serve as Trustees of the corporation whether as initial Trustees or successor Trustees, and in order to continue to serve as a Trustee of the corporation, Trustees shall be persons who possess and continue to possess, the following qualities and attributes. That is to say, a person may serve and continue to serve, as Trustee of the corporation only so long as he is and remains:

- a. Well-versed in the Scriptures;
- b. Well-versed in the Scientology Ethics and Justice System;
- c. A proven Scientology executive, as evidenced by statistics;
- d. A duly ordained minister of Scientology in good standing pursuant to those principles set forth in the Scriptures; and
- e. Has attained the age of majority.

Section 4. Election. The initial Trustees of the corporation shall be elected at the meeting next following the meeting of the Board of Directors adopting these Bylaws. The Trustees shall have lifetime tenure, subject, however, to termination as provided in Section 7.

Section 5. Vacancies. A vacancy in the Board of Trustees shall be deemed to exist in case of the death, resignation or termination of any Trustee as provided in Section 7.

a. Vacancies in the Board of Trustees may be filled by a majority of the remaining Trustees, though less than a quorum, or by a sole remaining Trustee.

b. In the event the Board of Trustees is unable to fill vacancies because of the death or disqualification of the entire Board of Trustees or sole remaining Trustee, then that person holding the senior ecclesiastical post in this Church shall (and only in this unlikely event and only as a singular circumstance) appoint individuals to fill all vacancies on the Board of Trustees, who must themselves meet the qualifications of a Trustee as provided in Section 3.

Section 6. Voting and Other Rights. Each Trustee shall be entitled to one vote. Each Trustee shall have access at all times to the books and records of the corporation.

Section 7. Termination as Trustee.

a. A person's post as Trustee shall terminate at his death or upon receipt by at least one other Trustee of a written notice of his resignation.

b. Pursuant to the Scientology ethics and justice system, a person's post as Trustee may be terminated for actions deemed contrary to the provisions of Articles I through IV of these Bylaws, by the unanimous vote of the other Trustees.

c. A person's post as Trustee shall automatically terminate if he or she at any time fails to meet the

qualifications for Trustee which are stated in paragraphs (a), (b), (c) and (d) of Section 3 of this Article.

- Section 8. Meetings of Trustees.

a. Annual Meeting. A meeting of the Trustees shall be held on the first day of June of each year at 8:00 p.m. at the principal office of the corporation. No notice of the annual meeting need be given if it is held at such time and at such place. The time and place of the annual meeting may be changed by vote or written consent of a majority of the Trustees, and notice of any such change shall be given to each Trustee. If proper notice is given of any such change in the time or place of the annual meeting, notice need not be given of subsequent annual meetings held at the same time and place.

b. Agenda at Annual Meeting. At the annual meeting of Trustees, consideration shall be given only to the following matters:

i. Election or removal of Directors.

ii. Election or removal of Trustees.

c. Call of Meetings. A special meeting of the Trustees may be called by any Trustee.

d. Notice of Meetings. When required, notice of a meeting of the Trustees shall be given to each Trustee in writing. A notice of meeting need not specify the purpose of the meeting.

e. Waiver of Notice. The transactions at any meeting of the Trustees, however called, however noticed,

and wherever held, are as valid as though taken at a meeting duly held after regular call and notice if a quorum is present, and if, either before or after the meeting, each of the Trustees who were absent signs a written waiver of notice and consent to the holding of such meeting. A Trustee shall be deemed to have waived notice and consented to the holding of a meeting, if he votes to approve the minutes of that meeting. All written waivers and consents shall be filed with the minutes of meetings of the Trustees. Notice of a meeting shall also be deemed given to any Trustee who attends a meeting without protesting, before or at its commencement, the lack of proper notice to him.

f. Quorum. A quorum for any meeting of the Trustees shall be a majority of the total number of the Trustees.

g. Minutes. The Trustees shall cause minutes of their meetings to be kept and to be maintained with other records of the Trustees in a secure place.

h. Adjournment. A majority of the Trustees present, whether or not a quorum is present, may adjourn any meeting of the Trustees to another time and place. Notice of the ~~time~~ and place of holding an adjourned meeting need not be given to absent Trustees if the time and place is fixed at the meeting adjourned.

i. Use of Conference Telephones. The Trustees may meet through the use of conference telephone facilities or similar communications equipment, so long as all Trustees

participating in the meeting can hear and address one another.

j. Action without Meeting. Any action required or permitted to be taken by the Trustees may be taken without a meeting if all Trustees consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Trustees. Such written consent or consents shall be filed with the minutes of proceedings of the Trustees.

ARTICLE VII

Board of Directors

Section 1. Function and Authority of the Board.

a. Generally. The activities and affairs of the corporation, as distinguished from the ecclesiastical affairs of the Church, shall be managed and conducted, and all corporate powers shall be exercised, by or under the direction of a Board of Directors, consisting of five (5) natural persons. The authorized number of directors may be changed by a bylaw-amending this Section 1(a) duly adopted by the unanimous vote of the Directors; provided however that the Directors shall not have the power to reduce the number of Directors below three (3) or increase the number above five (5). The Directors in general shall have all applicable powers conferred, permitted, or authorized by law as directors of a nonprofit religious corporation, including the power to purchase, lease, encumber by mortgage or deed

of trust, sell, pledge and convey property of the corporation, and to borrow funds for the use and benefit of the corporation. Each Director shall have access at all times to the books and records of the corporation.

b. Particular Functions. More particularly, and without limiting its power and authority in general, the Board of Directors may, in its sole discretion:

i. Borrow money and incur indebtedness on behalf of the corporation, and cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trusts, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor;

ii. Make and perform such contracts as are necessary or convenient to attain or further the purposes and objects of the corporation, as set forth in the Articles and in these Bylaws;

iii. Delegate to the corporation's officers, or to other agents, regular and special duties of the Board of Directors, the delegation of which is permitted by law and consistent with the Articles;

iv. Publish and disseminate books, periodicals, pamphlets, tracts, sermons, films, tapes and pictures in furtherance of the purposes of the corporation; and

v. Change the principal office of the corporation from one location to another, and establish and locate subsidiary offices of the corporation.

c. Special Duty of the Board. It shall be a special duty of the Board of Directors to assure:

i. That no part of the net earnings of the corporation inure to the benefit of any person;

ii. That no substantial part of the activities of the corporation are directed to influencing legislation by propaganda or otherwise;

iii. That the corporation and its agents refrain from participation or intervention in any political campaign on behalf of or in opposition to any candidate for public office;

iv. That the property, assets and net income of the corporation remain irrevocably dedicated to charitable and religious purposes; and

v. That, upon the dissolution or winding up of the corporation, its assets remaining after payment of or provisions for payment of all debts and liabilities of the corporation are distributed to a nonprofit fund, foundation, or corporation which is organized and operated primarily and exclusively for charitable and religious purposes, and which is

exempt from general income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954; as amended.

Section 2: Election and Tenure of Directors.

a. Election. Directors shall be elected by majority vote of the Trustees of the corporation. The Trustees shall elect one of the Directors as Chairman of the Board. Trustees may not cumulate votes in electing Directors. Regular elections of Directors shall be held at the annual meeting of the Trustees. Special elections may be held as necessary to fill vacancies on the Board of Directors. Directors may not be elected from among the Trustees. Directors shall hold office for one year or until the next annual meeting of the Trustees, whichever period is shorter. Directors may be re-elected.

b. Compensation. Directors shall receive no compensation for their service as Directors, but shall be entitled to reimbursement for expenses incurred on behalf of the corporation, whether or not such expenses are incurred in their capacities as Directors.

c. Qualifications. In order to serve as a Director and in order to continue to serve as a Director, each Director shall be a person who possesses and continues to possess the following qualities and attributes. That is to say, a person may serve and continue to serve as a Director only so long as he is and remains:

i. Well-versed in the Scriptures;

ii. Well-versed in the Scientology Ethics and Justice system;

iii. A proven Scientology executive, or a proven auditor, or case supervisor, as evidenced by statistics;

iv. A duly ordained minister of Scientology in good standing pursuant to the principles set forth in the Scriptures; and

v. Has attained the age of majority.

d. Removal. Upon an affirmative vote of a majority of the Trustees, a director may be removed, on the following grounds:

i. Failure to continue to meet the qualifications set forth in subparagraphs (i) through (iv) of subsection (c) above;

ii. Failure to exercise the duties of a Director in pursuance of the goals, aims and purposes of the corporation, the Church and Scientology, as set forth in Articles I through IV of these Bylaws.

Section 3. Meetings of Directors.

a. Call of Special Meetings. Special meetings of the Board of Directors may be called by the Chairman, or by any two Directors, or by the President.

b. Notice. Notice of all special meetings of the Board of Directors, or of an annual meeting to be held at a time or place other than a time or place fixed by resolution of the Board of Directors, shall be given to each Director.

c. Waiver of Notice. Transactions of any meeting of the Board, however called, however noticed, and wherever held, are as valid as though adopted at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice and consent to the holding of such meeting. A Director shall be deemed to have waived notice and consented to the holding of a meeting if he votes to approve the minutes thereof. All such waivers or consents shall be filed with the minutes of meetings of the Board of Directors. Notice of a meeting shall also be deemed given to any Director who attends a meeting without protesting, before or at its commencement, the lack of proper notice to him.

d. Quorum. A majority of the Directors authorized shall constitute a quorum of the Board of Directors for transaction of business or for taking of action which may be taken with less than unanimous consent of all Directors.

e. Minutes. The Directors shall designate one of their number or an officer of the corporation to keep minutes of their meetings.

f. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

g. Regular, Annual and Special Meetings. Meetings of the Board of Directors shall be held no less often than annually. Meetings designated as annual meetings shall be held in the month of June of each year. Meetings other than annual meetings shall be called regular meetings or special meetings. The time and place of annual meetings may be fixed by unanimous resolution of the Board of Directors, and, once so fixed, shall not be subject to the notice requirements of subsection (b).

h. Use of Conference Telephones. Directors may meet through the use of conference telephone facilities or similar communications equipment, so long as all Directors participating in the meeting can hear and address one another.

i. Action without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all Directors consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of

the full Board. Such written consent or consents shall be filed with the minutes of the meetings of the Board of Directors.

ARTICLE VIII

Officers of the Corporation

Section 1. Required Officers. Officers of the corporation, as distinguished from ecclesiastical posts, shall be elected by majority vote of the Board of Directors, and shall include a President, a Secretary, and a Treasurer, each of whom shall serve at the pleasure of the Board. Each of said offices may be held by a person who is also a Director. The Board of Directors may elect the same person to the offices of Secretary and Treasurer.

Section 2. Optional Officers. The Board of Directors may elect one or more Vice-Presidents, and one or more Assistant Secretaries and Assistant Treasurers and such other subordinate officers as the Board of Directors shall from time to time deem appropriate.

Section 3. Duties of Officers.

a. The President shall have general supervisory responsibility for the business affairs of the corporation. In addition, he shall perform all other acts and duties which the Board of Directors shall direct. The President shall be the Chief Executive Officer of the

corporation, to whom other officers and their agents shall report and be responsible for the proper performance of their duties.

b. The Vice-President, if any, shall carry out such duties on behalf of the corporation as may be assigned to him by the Board of Directors or by the President. In the absence or disability of the President, the duties of the President shall be discharged by the Vice-President.

c. The Treasurer shall be the Chief Financial Officer of the corporation and shall have custody of its corporate funds, books and financial records. The Treasurer shall have authority to receive and accept money, collect debts, open bank accounts, and make disbursements in the name of the corporation. The Treasurer shall keep or cause to be kept proper books of account reflecting all business done by the corporation and of all monies received and disbursed, and shall prepare or cause to be prepared financial statements at the request of the Board of Directors. The Treasurer shall deposit all money and other valuables in the name and to the credit of the corporation, with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse funds of the corporation at the direction of the Board. The Treasurer shall, whenever requested to do so by the President or Board of Directors, account for all transactions engaged in or authorized by him as Treasurer.

d. The Assistant Treasurer, if any, shall carry out such duties on behalf of the corporation as may be assigned or delegated to him by the Board of Directors; by the President; or by the Treasurer. In the absence or disability of the Treasurer, the Assistant Treasurer shall discharge the duties of the Treasurer.

e. The Secretary shall keep or cause to be kept a book of minutes of all meetings of the Trustees and of the Board of Directors, and of the meetings of any committee for which the Board requires that minutes be kept. The Secretary shall keep or cause to be kept, at the principal office of the corporation, a copy of these Bylaws. The Secretary shall keep the seal of the corporation and shall attest all certificates or other legal documents requiring certification on behalf of the corporation.

f. The Assistant Secretary, if any, shall carry out such duties on behalf of the corporation as may be assigned or delegated to him by the Board of Directors, by the President, or by the Secretary. In the absence or disability of the Secretary, the Assistant Secretary shall discharge the duties of the Secretary.

Section 4. Execution of Contracts. Contracts, instruments of conveyance or encumbrance, or other obligations of the corporation may be executed and delivered on behalf of the corporation by any two (2) officers of the corporation unless the Board of Directors provides otherwise by general or special resolution.

ARTICLE IX

Liability of Directors and Officers

Directors, Officers, Trustees and other agents of the corporation, and the property of such persons, shall not be subject to or chargeable with payment of corporation debts or obligations.

ARTICLE X

Ordination of Ministers and Religious Orders

Section 1. Ordination. The Church shall have full power and authority to ordain ministers, who shall be empowered to perform marriage ceremonies, administer the confessional, bury the dead, baptize, practice spiritual healing, give spiritual healing, give spiritual advice, and minister to the spiritual needs of clergy, congregations and parishioners; to revoke such status of ordained minister; and to grant and revoke such other degrees and certificates of attainment or qualification as may be appropriate.

Section 2. Code of Conduct. This Church shall ask and require from its ordained ministers conformity with the following minister's code (known as the Scientology Auditor's Code); relating to the spiritual ministration to, and guidance of, all parishioners and/or confessants:

I HEREBY PROMISE AS AN AUDITOR TO FOLLOW
THE AUDITOR'S CODE.

1. I promise not to evaluate for the preclear or tell him what he should think about his case in session.

2. I promise not to invalidate the preclear's case or gains in or out of session.

3. I promise to administer only Standard Tech to a preclear in the standard way.

4. I promise to keep all auditing appointments once made.

5. I promise not to process a preclear who has not had sufficient rest and who is physically tired.

6. I promise not to process a preclear who is improperly fed or hungry.

7. I promise not to permit a frequent change of auditors.

8. I promise not to sympathize with a preclear but to be effective.

9. I promise not to let the preclear end session on his own determinism but to finish off those cycles I have begun.

10. I promise never to walk off from a preclear in session.

11. I promise never to get angry with a preclear in session.

12. I promise to run every major case action to a floating needle.

13. I promise never to run any one action beyond its floating needle.

14. I promise to grant beingness to the preclear in session.

15. I promise not to mix the processes of Scientology with other practices except when the preclear is physically ill and only medical means will serve.

16. I promise to maintain Communication with the preclear and not to cut his comm or permit him to overrun in session.

17. I promise not to enter comments, expressions or enturbulence into a session that distract a preclear from his case.

18. I promise to continue to give the preclear the process or auditing command when needed in the session.

19. I promise not to let a preclear run a wrongly understood command.

20. I promise not to explain, justify or make excuses in session for any auditor mistakes whether real or imagined.

21. I promise to estimate the current case state of a preclear only by Standard Case Supervision data and not to diverge because of some imagined difference in the case.

22. I promise never to use the secrets of a preclear divulged in session for punishment or personal gain.

23. I promise to never falsify worksheets of sessions.

24. I promise to see that any donation received for processing is refunded following the policies of the Claims Verification Board, if the preclear is dissatisfied and demands it within three months after the processing, the only condition being that he may not again be processed or trained.

25. I promise not to advocate Dianetics or Scientology only to cure illness or only to treat the insane, knowing well they were intended for spiritual gain.

26. I promise to cooperate fully with the authorized organizations of Dianetics and Scientology in safeguarding the ethical use and practice of those subjects.

27. I promise to refuse to permit any being to be physically injured; violently damaged; operated on or killed in the name of "mental treatment".

28. I promise not to permit sexual liberties or violations of patients.

29. I promise to refuse to admit to the ranks of practitioners any being who is insane.

Section 3: Religious Orders. The Church may establish and maintain religious orders; the purposes of which shall be the carrying out of the religious and administrative activities of this Church and corporation. The Church may also establish and maintain religious orders; the purposes of which shall be the supervision of ecclesiastical affairs of other churches of Scientology as set forth in Article III. The specific functions and duties of such religious orders, and of the members of such orders, shall be as determined and assigned by the Board of Directors in accordance with the Scriptures, and consistent with the purposes for religious orders herein stated.

Acceptance of persons into the religious orders of the Church shall be governed by the applicable Scriptures. Persons seeking acceptance into a religious order of this Church shall enter into a covenant expressing the individual's desire and intent to devote himself to accomplish the goals and purposes of this Church and the

Religion of Scientology. All members of the religious order shall agree to abide by the policies of this Corporation, the Scriptures, the Articles, and these Bylaws.

Section 4. Terminations. Membership, affiliation, charters, ordinations, certifications, or other special dispensations, or recognitions, shall terminate, by direction of the Board of Directors, for the following causes:

- a. Death,
- b. Resignation,
- c. Actions deemed contrary to the principles, purposes, aims, code, ecclesiastical letters, policies, covenants, agreements, the Bylaws of this corporation and Scientology.

Section 5. Return of Property. Upon any termination, pursuant to Section 4 of this Article X, then the person who's status has been terminated shall be required immediately to return to the corporation or Church any and all real and personal property issued to such person by this corporation or Church.

Section 6. Discretion of Directors. Pursuant to the Scriptures, particularly the ethics and justice system of Scientology, membership in a Religious Order, ordination, or affiliation may be denied or revoked for cause deemed to be sufficient by the Directors in their sole discretion.

ARTICLE XI

Principal Office

The corporation's principal office shall be located at such place, within or without the State of California, as a majority of the Board of Directors may, in its discretion, determine from time to time.

ARTICLE XII

Seal

The corporation shall have a seal, the form of which shall be determined and adopted by the Board of Directors.

ARTICLE XIII

Amendments

Unless otherwise provided in these Bylaws, these Bylaws may be amended or repealed and new Bylaws adopted by unanimous vote of the Board of Directors; provided that amended Bylaws or new Bylaws do not jeopardize the tax-exempt status of this corporation, do not alter the purposes of this corporation or the qualifications required of its Trustees and Directors, and do not contravene the Scriptures.

CERTIFICATION

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Assistant Secretary of the Church of Scientology International, a nonprofit religious corporation incorporated under the laws of the State of California; and

2. That the foregoing Bylaws constitute the Revised Bylaws of said corporation, as duly adopted by unanimous written consent of the Directors and Voting Members of the corporation, dated as of the 20th day of May, 1982.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said corporation, this 21st day of May, 1982.

A handwritten signature in cursive script that reads "Sandra Brennan". The signature is written in dark ink and is positioned above the printed name.

Assistant Secretary

CERTIFICATE

I, Lynn R. Farny, hereby certify as follows:

1. That I am the duly elected and acting Secretary of Church of Scientology International, a nonprofit religious corporation incorporated under the laws of the State of California;

2. That the following amendement to Article VII, Section 2.a of the Bylaws of the corporation was duly adopted by unanimous written consent of the Board of Directors of the corporation on April 3, 1994:

a. Election. Directors shall be elected by majority vote of the Trustees of the corporation. The Trustees shall elect one of the Directors as Chairman of the Board. Trustees may not cumulate votes in electing Directors. Regular elections of Directors shall be held at the annual meeting of the Trustees. Special elections may be held as necessary to fill vacancies on the Board of Directors. Only one Director may be elected from among the Trustees. Directors shall hold office for one year or until the next annual meeting of the Trustees, whichever period is shorter. Directors may be re-elected.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 10th day of April, 1994.


Lynn R. Farny, Secretary